



REPORT OF:	CHIEF EXECUTIVE
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TO:	EXECUTIVE
DATE:	9 NOVEMBER 2017
EXECUTIVE MEMBER:	COUNCILLORS V BROAD & T SCHOFIELD

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

SUBJECT:	SERVICE & FINANCIAL PLANNING 2018/19
<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 Five Year Plan, be endorsed; (iii) that the draft 3 year business plans 2018/19 – 2020/21 be approved, and the Head of Corporate Policy & Performance be authorised to finalise these plans, in consultation with the relevant Portfolio Holder; (iv) that the Head of Corporate Policy & Performance be authorised, in consultation with the Leader of the Council and Head of Finance, to make any necessary changes to the Corporate Business Plan arising from the service and financial planning changes agreed for 2018/19; (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 2018/19-2022/23 (Annex 1) b) Savings totalling £1.93 m (Annex 2) c) Growth totalling £1.30 m (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 Five Year Plan.</p>	
<p>EXECUTIVE SUMMARY:</p> <p>In 2015, the Council adopted its Five Year Plan. This Plan sets out the organisation’s vision and corporate priorities, and informs Council decisions at every level. It is ambitious, focusing on making the borough a great place to live and work and supporting</p>	

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 that we are able to effectively deliver our services and the priorities outlined in the Five Year Plan.

Over recent years, substantial savings have been made by the Council. At the same time we have been recognised - through the Local Government Association Peer Challenge process - as being a leading local authority that continues to delivery high quality services, and which has robust service and financial planning and medium term financial planning processes.

Despite these savings we have already made, in the context of the Council now receiving no revenue support grant from Government and continuing economic uncertainty, we need to find additional savings and/or new income to be able to keep doing what we are doing. If we wish to do more than 'stand still' in terms of service provision, and to do extra – and better – for our local residents, communities and businesses, then the scale of challenge increases.

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 £625K.

If Members accept these recommendations, further work will be undertaken over the coming months to test and refine the proposals, including consultation with the Overview & Scrutiny Committee's Budget Scrutiny Panel. This will ensure that the Council delivers the necessary savings to ensure both a balanced budget for 2018/19 and is in the best position to continue to provide the high quality services our residents and businesses expect.

Executive has authority to approve the above recommendations

STATUTORY POWERS

1. Successful organisations require strong business plans if they are to perform at the highest level. The Council has an adopted Five Year Plan setting out its 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 sub-sections set out the local, national and regional context that has informed our service plans.

Our Five Year Plan

4. The Council has adopted a Five Year Plan, setting out its priorities, aims and objectives in order to ensure the borough continues to be a great place to live and work.
5. The Five Year Plan defines 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. The Plan seeks to deliver against this vision, with priorities grouped around three themes:
 - a. People: supporting residents to enjoy healthy and happy lifestyles
 - b. Place: a great place to live and work
 - c. Organisation: a great Council
7. The Five Year Plan covers the period 2015-2020. A review of the Plan has commenced with a view to a 'refreshed' version being published in 2018. This review process will ensure that the Plan remains relevant up to 2023.

National and regional context

8. The Council has set very clear priorities based on its understanding of local needs, however 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.
9. Brexit: Brexit probably represents the greatest uncertainty facing the Council. The impact of Brexit on the UK and EU economy will shape the context for (and role of) local government. Once finalised, the negotiated Brexit package may influence future trade patterns, foreign direct investment and the nature of the labour market. It may also result in changes to the regulatory framework for some Council services (for example in relation to waste). Brexit could also present new opportunities, with the Local Government Association calling for greater powers to be transferred to local councils.
10. The precise nature of the Brexit impact is currently unknown: whilst the UK's formal exit from the EU will take place in March 2019 (at the end of the 2018/19 financial year) proposals emerging during the course of the next 12 months are still likely to have economic and policy impacts and implications.

11. Devolution: After the 2015 General Election, the new Government proposed to significantly expand the use of deals to devolve powers and funding to economic areas across the country. Work to develop a local devolution deal (the 'Three Southern Counties' – covering Surrey, East and West Sussex) was progressing.
12. However, since the Brexit referendum in mid-2016, and the snap General Election in mid-2017, there has been considerable uncertainty about the future of devolution, and/or whether a Three Southern Counties deal would be supported by Government.
13. It is therefore not anticipated that devolution will have any notable impact on the Council's service and financial planning for 2018/19.
14. Business rates: The opportunity for Surrey to become a business rate retention pilot area is being explored in partnership with the County and other boroughs and districts. This would allow 100% of business rate income increases to be retained in the county in 2018/19. A proportion of the benefit would be allocated toward funding economic regeneration in Reigate & Banstead. This potential opportunity for the Council is not reflected in the budget at this stage.
15. Welfare reform: Welfare and benefits account for a significant proportion of public spending and the Government has pursued a substantial reform agenda in this area. Changes to the Benefits Cap and Local Housing allowance rates for under 35s have impacted on families and young people's ability to pay rent (exacerbated by new 'affordable housing' rents now being linked to market rates, which are high in Reigate & Banstead).
16. Universal Credit continues to be rolled out nationally and is programmed to be implemented in Reigate & Banstead from July 2018. The experience from areas where it has already been introduced suggests that the impact on residents and for the Council could be substantial, for example:
 - a. The financial impact on the Council and Registered Providers as a result of more tenants getting into rent arrears, and requiring assistance
 - b. Increased numbers of people presenting as homeless as they face eviction as a result of getting into rent arrears
 - c. A decreased willingness of private landlords to accept households in receipt of benefits, including in-work benefits.
17. Housing and homelessness: Closely linked to welfare reform is the issue of access to housing, and homelessness. In addition to the changes outlined above, reductions in working benefits and child benefits to families, a freeze on the local housing allowance and changes to supported housing funding will affect local people's ability to afford to live in the area, and the Council will need to respond to this challenge.
18. The Homelessness Reduction Act, due to be implemented in April 2018, will introduce additional statutory responsibilities for the Council. It will expand our duties to assist those without a local connection, and place requirements on us to engage earlier with those at risk of homelessness, and support them for longer and more intensively. This will impact on how we deliver our housing advice services and the amount of bed & breakfast, temporary and affordable permanent accommodation we need to provide. The Council has received two years of ring-fenced Government funding towards this new duty, although there remains a question mark over longer-term funding.

19. Planning: Housing and homelessness issues are exacerbated by high house prices, a limited supply of new homes coming onto the market and a lack of genuinely affordable housing being built. The Government has clearly stated its ambition that the country should build more homes, with various changes to the planning system being introduced, following the publication of the Housing White Paper 'Fixing our broken housing market' in February 2017. These proposals include changes to the way in which housing needs are calculated, more flexibility over the types of 'affordable housing' which developers can provide, and new types of planning application.
20. The Housing White Paper confirms that the Government will support ambitious local authorities who want to deliver housing, through mechanisms such as Housing Deals and the Housing Infrastructure Fund. This may provide opportunities for the Council, which recognises the need for growth and the importance of being 'plan-led'. However, it will remain vital that we continue to strike a balance between providing new housing (including housing which is affordable to local people) and both protecting the environment and ensuring that new jobs, infrastructure and services are provided to support new residents.
21. Transport: Funding and delivering the transport infrastructure needed to support growth remains a challenge, and one which lies largely outside the control of the Borough Council. The creation of a sub-national transport body (SNTB) for the south east is making progress, with a shadow board now established and due to be formalised in early 2019. Devolution of transport funding and decision making arrangements has many potential benefits, but the difficulty of justifying transport investment in a relatively prosperous area such as Reigate & Banstead (as opposed to more peripheral locations) is unlikely to be resolved through the SNTB.
22. Whilst the Government has announced that its preferred option for new runway capacity in the south east is Heathrow Airport, formal permission for this scheme is still a considerable way off. Although it is now less likely that Gatwick will get a second runway, the current legal agreement preventing this currently expires in 2019. Even with a one-runway configuration, Gatwick Airport has growth ambitions which will bring both opportunities and challenges for the local area. At the same time, the Government is preparing a new Aviation Strategy which will set out the long term direction for aviation policy to 2050 and beyond. This will undoubtedly have some impacts for authorities in the vicinity of major international airports such as Reigate & Banstead.
23. Health and wellbeing and social care: Healthcare is a national issue, but one that manifests itself at a sub-national and local level. Sustainability Transformation Plans currently under development for the Sussex and East Surrey, and Surrey Heartlands, areas will shape the future of healthcare provision for borough residents. Failings within local service providers, such as the East Surrey Clinical Commissioning Group and the South East Coast Ambulance Service have already been identified, and continuing funding and capacity issues as well as demographic change will directly impact on borough residents and their call on local services.
24. Our most vulnerable residents are most at risk from funding cuts. Surrey County Council (SCC) provides social care services in the borough, and is facing severe financial constraints. SCC has consulted on cuts to the Housing Related Support for older people and people with disabilities and is seeking a 20% budget cut in its support budget for socially excluded groups (such as those suffering from mental health issues, the homeless, and ex-offenders).

25. Refuse and recycling: 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 (eg China) drives prices for materials, so when growth in these markets falters, the price for materials also reduces. Demand for plastic materials is impacted by the international oil market. When the oil price is lower (as in recent years) it reduces demand for plastic recyclates and thus the market price.
26. Market fluctuations have, in past years, led to large reductions in the Council's income from recyclates. Although the market now appears to be recovering, this remains an area of uncertainty that needs to be addressed in our service and financial planning.
27. Conversations are ongoing with Surrey County Council in relation to the recycling credits that the Borough Council currently receives. Whilst proposals remain to be finalised, SCC is seeking to cut costs and it is therefore likely that the borough will see a considerable reduction in the money it currently receives from this source and uses to help fund its refuse and recycling service.
28. The property market: Property market growth has slowed somewhat in the wake of the Brexit referendum decision and the 2017 General Election, although lack of supply (both in terms of commercial and residential property) is keeping demand and prices relatively high and the commercial office market in particular remains buoyant. Notwithstanding this, the property market (and thus the income generated from Council assets) remains vulnerable in light of the ongoing Brexit negotiations and global economic circumstances.

LGA Corporate Peer Challenge

29. In September 2015, the Council invited peers from across the public and private sectors to Reigate & Banstead to hear about our priorities and achievements, and to share best practice and make recommendations for further improvements. The feedback from this Peer Challenge was extremely positive, and identified significant strengths across the organisation. A number of recommendations were also made about how the Council could perform even better.
30. An Action Plan was agreed by the Executive in January 2016 to respond to these recommendations. There has been considerable progress made against the Action Plan following its adoption, with identified activities either having been completed or incorporated into the Council's core areas of work.

SERVICE PLANNING

31. Each service within the Council has reviewed and refreshed its rolling 3 year business plan, to prepare a new draft which covers the period 2018/19 to 2020/21. These plans set out the direction of Council services, including key changes and customer insight analysis. Activities are set out against Five Year Plan priorities, and key outcomes, risks and resources information are also included. The plans also include out a SWOT and/or PESTLE analysis for each area of business, and set out how the national and local context may impact on individual services during this time.
32. The draft business plans have been developed by the Business Managers Group and Management Team, in consultation with the relevant Executive member. The 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 appropriate Executive member.

33. The business plans include proposals to respond to the service context set out in the previous section, and to deliver against our Five Year Plan priorities. The activities supporting the delivery of the Five Year Plan are captured in an annual action plan, with progress reported as part of the performance management framework.
34. The following sub-sections highlight areas where changes to the way in which the Council carries out its business are planned, or where substantive revenue savings, income or growth is proposed, in relation to each theme within the Five Year Plan. The Council's performance against our Five Year Plan success measures was reported to the Executive in June 2017.
35. Surrey County Council: Budget reductions at SCC will have an impact on public service provision across the borough. The potential for future impacts on health, well-being and social care, and refuse and recycling, are outlined above. The impact of SCC cuts is also already being felt in relation to parking services and highways verge maintenance. And given the scale of the cuts that the County Council is facing, it is likely that other non-statutory services will also be curtailed.
36. Much of the detail about SCC cuts remains to be confirmed, but it is clear that their service reductions will make it even more difficult for this Council to deliver on its already challenging savings targets. Where information is available, this has been incorporated into our service planning for 2018/19, and is outlined in the paragraphs that follow. However it has to be recognised that uncertainties still exist about future SCC cuts, and this area will need to be closely monitored.
37. Financial constraints at the county level may provide the opportunity for this Council to take over services from the County Council, for example where we can deliver a higher quality of services for our residents and in a more efficient way. Opportunities to do so will continue to be kept under review.

People: supporting residents to enjoy healthy and happy lifestyles

38. Housing: The housing challenge in the borough is twofold.
 - a. Homelessness - The Council has made positive progress in addressing homelessness in the borough over the past year. The Council's proactive approach to addressing the challenges of homelessness (financial and social) resulted in an underspend on temporary accommodation in 2016/17 of £168,500. It is clear that the challenges faced in this area by the Council are only going to become greater as a result of the Homelessness Reduction Bill (see above). Additional ring-fenced Government funding has been made available to the Council to address this, however as this is only for an initial two year period - and the Council will need to take additional actions to manage accommodation demands - it is not considered an appropriate time to seek savings in this area.
 - b. Affordable housing – House prices (to buy or rent) in the borough are high, putting housing beyond the reach of many. The Council has ambitions to take a more proactive approach to securing the delivery of housing that meets the needs of local people. It will be exploring how to maximise the value that can be achieved from section 106 funding and other funding sources (such as the New Homes Bonus), and will be considering other options to enable it to deliver housing directly. The financial implications of such activities have not yet been quantified but are not anticipated to impact on the Council's revenue budget in 2018/19.

39. Community development and family support: 2017/18 has seen the establishment of a new Community Development team within the Council. This new team will support communities in the more deprived parts of the borough, helping to improve the life chances of our more vulnerable residents. In light of Surrey County Council cuts, this workstream is becoming increasingly important, and will remain a Council priority.
40. Our Family Support programme has supported 422 families with multiple and complex needs over the last 3 years, with 97% of families demonstrating an improvement during their engagement with the programme. A local approach to providing positive support and prevention delivers clear benefits, but with reducing external funding continuing this vital service will also require some revenue growth.
41. Pathway for Care: In July 2016, the Council agreed to form a health and social care company. Pathway for Care was officially incorporated in August 2016, and is now moving forward with service delivery and securing agreements and contracts with partners. The company supports and complements the considerable investment that the Council has made into supporting the health and wellbeing of its residents in recent years, as well as providing a longer-term source of income generation to support ongoing Council activities. The budgeted company income from Pathway for Care reflects a prudent assessment of the interest income arising from loans to the company and staff recharge costs in 2018/19.

Place: a great place to live and work

42. Waste and recycling: A substantial over-recovery of refuse and recycling income was seen in 2016/17 due to the strong recycle market (especially for paper). Although the market has weakened slightly, there may be scope for some over-recovery of costs going forward into 2018/19. However this has to be set against the potential removal of recycling credits by Surrey County Council. Based on the best information available at this time, therefore, a cost growth figure of £500,000 is considered a reasonable and pragmatic assumption. Income is projected from the Council's garden waste and trade waste services.
43. Parking: 2016/17 saw an over-recovery of £218,800 from parking income as a result of increased season ticket sales and pay and display ticket sales. The Council will continue to market its car parks to businesses, as well as exploring new income streams. Savings are included in the 2018/19 budget proposals based on an assumption that increases in parking income will continue as a result of increased ticket sales *not* increased charges. Temporary loss of income associated with the redevelopment of Marketfield Way car park will be addressed through use of the Corporate Plan Delivery Fund. Uncertainty still remains in relation to Surrey County Council's review of on-street parking enforcement, the impact of which it is not possible to quantify yet.
44. Regeneration: Great progress has been made in recent years to deliver the Council's key regeneration priorities. In 2018/19 and beyond, the team will focus on the delivery of projects to support the growth across the borough, working with partners to secure improvements to the transport network and open space provision in the borough. The Regeneration team will also play an important role in the delivery of the Council's own development projects.
45. Greenspaces: Funding reductions from SCC mean that growth is required to enable the Greenspaces team to continue to deliver a high quality verge maintenance service in 2018/19, which will contribute to maintaining the attractiveness of the borough. This is a service our residents value highly. Further income-generating

opportunities will continue to be explored as part of the proposed new Depot company, however no income is being assumed from this source in 2018/19.

Organisation: a great Council

46. Revenues, Benefits & Fraud: The Council's Revenues, Benefits & Fraud service currently provides services for a number of other Councils and housing providers, as well as services within Reigate & Banstead. This work has proved successful to date, and presents an ongoing commercial opportunity for the Council. In 2018/19 it is anticipated that £100k net income will be generated through the sale of our fraud management and debt recovery services to other organisations. Our continued ambitions in this area will also require additional staff resources, the cost of which will be more than offset by the increased income.
47. Property assets and the Council's Property & Investment Company: The Five Year Plan outlines how we will increase the value of, and income derived from, our property and assets. In 2016/17, 18% of our income was derived from our assets and 2017/18 continues to see positive progress against this objective. In the short term (until other commercial ventures are more established) property investment offers the only real opportunity to address our budget shortfall and allow the Council to continue to deliver a comprehensive range of high quality services. In 2018/19, rental income from new acquisitions and developments is projected to be £905,000. Recharging appropriate staff costs to the Property & Investment Company also provides revenue income for the Council. Revenue growth and use of the Corporate Plan Delivery Fund is proposed to mitigate temporary losses of rental income and fund additional staff resources to deliver on this critical aspect of the Council's work.
48. Staff resources: As the Council pursues the ambitious agenda set out in its Five Year Plan and Medium Term Financial Plan, it is vital that the appropriate staff resources are in place. Additional resources are already being brought in, and additional revenue growth is proposed in 2018/19 to ensure that our Legal Services, Project and Business Assurance, and Property Services teams have the skills and experience required to make our plans a success. In addition, Corporate Plan Delivery Fund bids are proposed to provide support for information management and governance, talent attraction and talent development.

FINANCIAL CONTEXT

49. The Council continues to manage its finances well. Reigate & Banstead has delivered significant service improvements and priority projects whilst seeing a 68% reduction in government grant from £6.9m in 2010/11 to £2.3m in 2018/19 (all of which is retained business rates). The Council now receives no revenue support grant and currently relies on central Government for less than 15% of its net revenue budget.
50. The total loss of revenue support grant was anticipated, however the pace of change has been swift. The Local Government Finance Settlement finalised in February 2016 was, for the first time, a four-year settlement: the Council accepted the settlement in order to provide certainty about funding levels going forward.
51. Table 1 summarises how Government funding has changed in recent years, and is expected to change in the future. This information is the latest release updated as at February 2017.

Table 1: Government funding for RBBC

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £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	0.83

52. Government plans to introduce as yet unspecified reforms to the Business Rates system are unlikely to impact the Council until 2020/21. There remains a possibility that the Council will be left with little or no retained business rates in the future. The table above does not reflect any impact of the possible Business Rates Retention Pilot across Surrey on the 2018/19 rates.

53. The referendum limit for Council Tax increases for 2018/19 remains at £5.

Our approach

54. Our Five Year Plan recognises that the Council needs to change the way that its services are funded. Without becoming a financially self-sufficient organisation, we will not be able to continue to provide the high quality services that our residents and businesses expect and deserve. But in order to achieve self-sufficiency, we need to continue to increase our savings whilst also generating additional income.

55. The Council's Medium Term Financial Plan (Annex 1) sets out the financial direction of the Council over the next five years to ensure that the Council will continue to plan and manage resources to meet the objectives of our Five Year Plan.

56. Our Corporate Business Plan builds on our medium term financial plans and sets out how we will become financially self-sufficient so that we can continue delivering high quality services to our residents and achieve our Five Year Plan priorities. It sets out the following approach to delivering the financial savings that are required:

- a. Some service efficiencies, including self-serve and business change activities
- b. Increasing our element of Council Tax (see below)
- c. Commercial activities, including income from fees and charges
- d. Increasing income derived from property investment and development
- e. Further investment in property

57. Both service efficiencies and Council Tax increases are important, but their abilities to address the financial challenges faced by the Council are limited. It is therefore important that the Council also becomes an increasingly commercial organisation. This means generating new net income streams to support service delivery, as reflected in our service planning outlined above. This requires investment – and will have an element of commercial risk – but it will also enable the Council to develop and grow into a self-sustaining organisation.

58. The following table sets out the savings, income and growth proposal figures for 2018/19 in order to deliver a balanced budget for the Council. These proposals deliver the Medium Term Financial Plan objectives and support the Corporate Business Plan drive to become financially self-sufficient by 2020.

Table 2: Summary of 2018/18 savings, income and growth proposals

	£000
Total Income and Savings	(1,930)
Growth Excluding CPDF Transfer	1,305
Net Savings	(625)
Minimum Savings Target	(700)
Savings shortfall funded from revenue reserves	(75)

59. 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 2018/19.
60. 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 and income streams.
61. For example, the Council's property investment company will enable the Council to use its reserves (as well as borrowing) to purchase additional property assets both inside and outside the borough that will provide new income streams for the Council and which will support service delivery to benefit our residents and businesses. As part of the budget development for 2018/19, the Leader and Executive have reviewed the capital programme to ensure that our investment plans support our organisational priorities.

Savings

62. Annex 2 sets out savings proposals and adjustments totalling £1,930k for the 2018/19 financial year. The following table summarises the savings:

Table 3: Savings Summary

Category	£000
Efficiency measures	1,560
Income generation	370
Total	1,930

Growth

63. Annex 3 sets out the growth proposals and adjustments totalling £1,305k for the 2018/19 financial year, summarised below:

Table 4: Growth Summary

Category	£000
Loss of income	1,007
Service improvements	298
Total	1,305

Council Tax

64. As part of our commercial approach to funding outlined within our Five Year Plan, the Medium Term Financial Plan includes Council tax increases of £5 per year, in line with the new limits set by the Secretary of State in January 2016. This is considered vital if the Council is to manage the removal of central Government revenue support grant whilst maintaining quality public services and delivering its ambitious corporate Plan.
65. A £5 Council Tax increase would increase a Band D charge from £214.44 to £219.44, an increase of less than 10 pence per week.

Reserves

66. General Fund: The Council has set a minimum level of unallocated General Fund reserves of 15% of the net revenue budget, which equates to £2.4m in 2017/18. Currently the unallocated balance on the General Fund is £3.9m – the result of previous decisions to build up reserves to guard against economic downturn and the impact of Government funding reductions.
67. 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. Given the ongoing uncertainty over future economic conditions and potential future loss of retained business rates, this remains a sound position of principle. There is, however, only a £75K requirement within the proposals presented in this report to draw upon the General Fund in order to balance the 2018/19 budget. Any underspend at the end of the current financial year will be transferred to the General Fund or the Corporate Plan Delivery Fund.
68. Corporate Plan Delivery Fund: For the first time, information about likely Corporate Plan Delivery Fund (CPDF) spending is provided directly alongside growth proposals in Annex 3. The CPDF is projected to have a balance of £1m at the end of the current financial year. Projected expenditure for 2018/19 is £1,778K.
69. The CPDF was established to support the delivery of the Council's Five Year Plan. This includes support for people, place and organisational change, as well as funding for staff resources to support discrete or time-limited projects. Funding is short-term and not included in the revenue base budget.
70. In some cases, CPDF is being used to fund staff posts which have over time become long term positions. The most fiscally prudent approach to financial planning would be to transfer long term committed staff positions from the Corporate Plan Delivery Fund into base budget, underlining the Council's commitment to these activities. This approach would minimise the draw on Council reserves and help contribute to our long term financial stability.

71. In the service and financial plans presented in this report, these positions remain funded through CPDF. Should the Council source and buy a robust investment property over the coming months, the income from that property will be assessed for inclusion in the revenue plans. If an additional reliable income stream such as this can be added into the plan, then it is recommended that long terms staff positions currently funded from CPDF be transferred into the base revenue budget.

Capital programme 2018/19 to 2022/23

72. The Capital Programme has been updated to allow for the re-profiling of existing budgets based on progress to date. Our projected capital reserves (at year end) are currently:

Table 5: Projected Capital Reserves

2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
17,496	9,463	8,583	6,860	5,512	4,019

73. Whilst some major capital projects will be completed over the next few years, the Capital Programme will also need to ensure that other significant projects are provided for in the longer term.
74. Further review and refinement of the Capital Programme will take place through 2017 to assess the longer term Capital requirements of the Council to support the revised Five Year Plans.
75. The updated Programme is attached as Annex 4.

OPTIONS

76. 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 terms of 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 2018/19;
 - Only approve some of the proposed budget and financial planning changes set out within the report, for consultation under the terms of the Constitution. This option is not recommended, as it would undermine the service plans and present a budget gap for 2018/19;
 - 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 terms of 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 2018/19.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

78. These are addressed throughout the report.

EQUALITIES IMPLICATIONS

79. 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).

COMMUNICATION IMPLICATIONS

80. The Council continues to offer value for money for Council residents – in 2017/18, the average household pays just £4.12 per week to the Borough Council in Council Tax, which pays for the wide range of services that the Council delivers, including household waste and recycling collections, street cleaning, greenspaces maintenance, leisure and community centres, and statutory and regulatory services such as licencing, environmental health and planning.

81. Central to Council's communications and engagement strategy is to not only promote the good work that the Council does and the great services it provides, but also to make sure that our annual service and financial planning process reflects what our residents and businesses need. A review of our Five Year Plan is being undertaken to ensure that our priorities remain relevant up to 2023.

RISK MANAGEMENT CONSIDERATIONS

82. 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.

83. The Council has strong risk management arrangements in place to ensure that any risks are identified and managed.

HUMAN RESOURCE IMPLICATIONS

84. 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 in our salary budget. Continuing to make these kinds of efficiencies is no longer sustainable without impacting on the quality of service delivery. Conversely, the Council will need to grow in the 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, whilst also expanding our service provision as outlined in the earlier sections of this report.

85. The savings and growth proposals for 2018/19 will therefore result in a net growth of 2.5 FTE (including 1 apprenticeship post). An additional 16 posts are proposed to be funded through the Corporate Plan Delivery Fund.

86. The Council's 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 considerations.

87. The 2015 LGA Peer Challenge highlighted the challenges facing Reigate & Banstead due to the borough's location within easy commuting distance of London and the buoyant local economy. Both of these make the job market extremely competitive

with anecdotal evidence suggesting that the situation has got even worse since 2015. It therefore continues to be important (especially in light of our ambitions) that the Council is able to offer competitive employment packages to attract and retain high quality staff.

CONSULTATION

88. Consultation will be carried out in line with the Council's budget and policy framework. This includes consideration by the Overview & Scrutiny Committee.
89. The Overview & Scrutiny Committee has established a Budget Scrutiny Panel to support this work. The Panel is scheduled to meet on 23 November 2017. It is anticipated that the Panel's report will be considered by the Overview & Scrutiny Committee on 7 December. Any comments or recommendations will be reported to the Executive meeting on 11 January 2018.
90. 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

91. 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 Five Year Plan and services to residents and businesses.

Background Papers:

Our Five Year Plan; available at http://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/our_5_year_plan

Medium Term Financial Plan 2018/19 to 2022/23

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

The benefits of the MTFP are:

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

3. Principles of the MTFP

The principles underlying the MTFP are as follows:

- 3.1 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.

- 3.2 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.
- 3.3 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.
- 3.4 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.
- 3.5 The Council will continue to improve its approach to commissioning and procurement to ensure value for money and minimise the impact of budget savings.
- 3.6 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.
- 3.7 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.
- 3.8 The Council will consider ways in which it can ensure financial sustainability and maximise income to deliver its priorities. This includes the development of property - based projects to capture both revenue and capital income opportunities. We are also developing a range of commercial ventures and will determine the most appropriate vehicle for the delivery of those projects.
- 3.9 The Council will – when appropriate - consider the use of 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.
- 3.10 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.
- 3.11 Opportunities for working in collaboration will be identified and developed where this will support the Council's priorities and improve service efficiency and delivery.
- 3.12 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 Although public sector borrowing is lower than forecast, in the Autumn Statement in November 2017, the Government's current account is expected to remain in deficit throughout the forecast period.
- 4.3 In terms of Government funding of the Council, Revenue Support Grant ceased 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. Indications in from the Bank of England are that a small rate rise is imminent which the markets have priced into Sterling, however Brexit is creating an uncertain and tough space from which to raise rates.

Table 1	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast Interest Rates	%	%	%	%	%
Forecast Bank Rate	0.25%	0.50%	0.50%	0.75%	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 exceed the Bank of England target of 2% in the near term before falling to close to 2% toward the end of the period.

Table 2	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast Inflation (CPI)	%	%	%	%	%
Forecast CPI	2.7%	2.6%	2.2%	1.9%	1.9%

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	1.6%	1.5%	1.6%	1.8%	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 2017/18 was set at £14.894m in February 2017. To achieve a balanced budget for each year of the forecast period it is anticipated that savings will be required. Forecast savings requirements will be determined following a refresh of the five year plan in 2018.
- 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 the referendum limit each 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 February 2016.
 - 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 important. 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.
 - 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 Updates to the Prudential Code for Capital Finance and the CIPFA Treasury Management Code will be released in Autumn 2017. The impact of guidance changes will be reviewed and implemented for 2018/19.
- 7.5 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.
- 7.6 The Capital Programme to 2022/23 is summarised below (detail to follow).

Table 5	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Summary	£000	£000	£000	£000	£000
Capital Reserves at 1 April	17,497	9,463	8,583	6,860	5,512
Add Receipts & Grants	2,139	1,827	1,768	1,635	1,465
Less Expenditure	10,173	2,707	3,491	2,983	2,958
Capital Reserves at 31 March	9,463	8,583	6,860	5,512	4,019

- 7.7 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 £5.9m 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 balance at the beginning of the year was £4.0m and the expected usage in 2017/18 is £3.0m.

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 £11.4m.

vi. **Superannuation Reserve**

This was established to “smooth” any sudden increases in pension cost. 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. **High Street Innovation Reserve**

This was established to separately account for the funding of this initiative prior to it being used. The balance is £40,000.

ix. **Business Support Scheme**

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

x. **Neighbourhood Improvement Reserve**

This was established to separately account for the funding set aside for neighbourhood improvement projects. The balance is £139,000.

9. Risk Management

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

The Council no longer receives any Revenue Support Grant, and the reforms to business rates will likely result in a significant reduction, or complete removal, of this funding to Reigate & Banstead by 2020.

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. There will also be new legal requirements wherever company structures are established.

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

Service and Financial Planning 2018/19: Income & Savings Proposals

Service/Description	Base 2018/19 £000	Company income 2018/19 £000	Total 2018/19 £000
<u>Car parking</u>			
Contract parking	-85.0		
Income from Pay and Display	-75.0		
Reduce supplier costs (by promoting cashless payments)	-5.0		
<u>Customer Contact</u>			
Call centre staffing reductions	-40.0		
<u>Finance</u>			
Interest received on loans		-125.0	
<u>Greenspaces</u>			
Budget rightsizing	-10.0		
Events/venue hire income	-10.0		
Greenspaces Services	-15.0		
Greenspaces Services	-4.0		
<u>Leisure & wellbeing</u>			
Increased income and efficiency at Harlequin Theatre	-20.0		
Licensing fees & charges	-5.0		
Review kennelling for stray dogs	-5.0		
Increase in JET FPN use	-5.0		
<u>Revenues & Benefits</u>			
Taking on/over work for other organisations around fraud investigations, revenues and benefits services.	-100.0		
<u>Refuse, Recycling & Streetscene</u>			
Increase in garden waste membership	-95.0		
Trade waste income	-10.0		
Reduced costs of mixed recycling disposal	-70.0		
<u>Corporate Wide</u>			
Staff cost recharge to companies		-245.0	
<u>Sub Total (excluding Property)</u>	-554.0	-370.0	-924.0
<u>Property</u>			
Town Hall Cottage	-1.5		
Town Hall Cottage	-0.5		
Town Hall Former Redcross	-1.0		

Service and Financial Planning 2018/19: Income & Savings Proposals

Service/Description	Base 2018/19 £000	Company income 2018/19 £000	Total 2018/19 £000
Town Hall Middle Block	-10.0		
Earlswood depot	-7.3		
Park Farm depot	-10.0		
Park Farm depot shed	-2.4		
Park Farm	-2.1		
Merstham Help Shop	-5.1		
Banstead Help Shop	-1.1		
Horley Help Shop	-3.5		
51b High Street Reigate	-20.0		
51b High Street Reigate	-9.0		
High Street Redhill	-1.0		
Pitwood No 4	-20.0		
Redstone cemetery Lodge	-2.5		
Tanyard Barn	-15.0		
Land Adj 1 Oxford Road Redhill	-3.0		
Whitebushes Community Centre	-3.5		
Tattenham Way Rec	-5.0		
Tattenham Way Rec	-3.0		
Acquisition of Forum House	-329.0		
Warwick Quadrant - Travelodge	-150.0		
Beech House	-400.0		
Property Savings Sub Total	-1,005.5	0.0	-1,005.5
Total savings	-1,559.5	-370.0	-1,929.5

Service and Financial Planning 2018/19: Growth Proposals

Service/Description	Base 2018-19 £000	CPDF 2018-19 £000
<u>Car Parking</u>		
Loss of Marketfield Way Car Park Income		166.0
<u>Communications & Information</u>		
Communication role x 2		90.0
Intranet project		50.0
Support for GDPR compliance implementation		100.0
<u>Community Development</u>		
Community development team		185.0
Community development team		15.0
<u>Corporate</u>		
Corporate policy support / Graduate trainee		27.0
Resident satisfaction survey		9.0
Corporate Policy Manager		72.0
<u>Democratic Services</u>		
Committee software system	5.0	
Member development	10.0	
<u>Electoral Services</u>		
Standalone election 2018		125.0
<u>Family Support Programme</u>		
Ongoing running of the Family Support Team	10.0	
<u>Finance</u>		
Treasury growth resulting from borrowing	142.0	
<u>Greenspaces</u>		
Reduction in SCC highway income	73.0	
Aboriculture apprentice cost	16.0	

Service and Financial Planning 2018/19: Growth Proposals

Service/Description	Base 2018-19 £000	CPDF 2018-19 £000
<u>Human Resources</u>		
Consultancy to support review of pay structures, grading and contracts		25.0
Talent Attraction - employer branding		10.0
Biennial Staff Survey		5.0
Talent/Management development programme		40.0
Apprenticeship levy	2.0	
<u>ICT</u>		
Disaster Recovery	50.0	
<u>Leisure & Wellbeing</u>		
Wellbeing (Ageing Well/Leisure) officer	29.0	
Ageing Well Budget	15.0	
Health and Wellbeing Manager		56.0
<u>Legal</u>		
Land charges: loss of income	100.0	
Additional salary costs	100.0	
<u>Policy</u>		
DMP		100.0
CIL (previously approved) - £109k over 3 years		18.0
Economic development: Small business grants (previously approved)		12.5
Economic development: Targeted SME engagement (previously approved)		42.0
Economic development: Entrepreneur workshops (previously approved)		6.0
Economic development: Increase Small Business grants budget		57.5
Other economic development activity (previously approved)		20.0
Strategic development project managers (x2)		96.0
Project Management Resources (x 2.5)		118.0
<u>Project and Business Assurance</u>		
Project Managers		100.0
<u>Property</u>		
Town Hall Middle Block	66.3	
Cromwell Road	41.3	
High Street Redhill		116.7
Pitwood No1	57.5	
Redhill and Reigate GC	12.0	
Horley Community Centre	2.2	

Service and Financial Planning 2018/19: Growth Proposals

Service/Description	Base 2018-19 £000	CPDF 2018-19 £000
Kingswood Rec	1.9	
Tattenham Way Rec	2.5	
Telecomms Mast Site at Waterfield	3.7	
Additional salary costs	57.4	
Investment and Development Surveyor		52.1
Asset Manager/building surveyor		63.9

Service and Financial Planning 2018/19: Growth Proposals

Service/Description	Base 2018-19 £000	CPDF 2018-19 £000
<u>Refuse, Recycling & Streetscene</u>		
Anticipated reduction in recycling credits - Paper	410.6	
Anticipated reduction in recycling credits - DMR	34.4	
Anticipated reduction in recycling credits - textiles	55.0	
Food Waste subsidy reduction SCC	8.0	
	<hr/>	<hr/>
	1,304.8	1,777.7
	<hr/>	<hr/>
Total Growth	1,304.8	

Projected Capital Programme 2017/18 to 2022/23

Annex 4

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
CAPITAL RESOURCES: SUMMARY						
Capital Reserves as at 1st April						
Capital Receipts Reserve	29,509.0	9,545.6	4,879.6	3,983.9	2,863.6	2,118.4
Capital Grants	10,423.0	7,950.8	4,583.1	4,599.1	3,996.7	3,393.7
Planned Capital Receipts	637.5	384.0	0.0	0.0	0.0	0.0
CIL / S106 Funding	277.0	290.0	362.0	303.0	170.0	0.0
New Homes Bonus	3,092.0	0.0	0.0	0.0	0.0	0.0
Capital Grants & Contributions:						
Disabled Facilities Grant	965.0	965.0	965.0	965.0	965.0	965.0
Surrey County Council*	556.0	0.0	0.0	0.0	0.0	0.0
Raven Housing Trust	0.0	0.0	0.0	0.0	0.0	0.0
Other Grants	91.0	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	6,118.5	2,139.0	1,827.0	1,768.0	1,635.0	1,465.0
Less: Capital Expenditure	28,554.1	10,172.7	2,706.7	3,490.7	2,983.2	2,958.2
Capital Reserves as at 31st March	17,496.4	9,462.7	8,583.0	6,860.3	5,512.1	4,018.9

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

EXPENDITURE: SUMMARY						
Waste Management & Recycling Improvements	78.9	10.0	10.0	10.0	20.0	20.0
Environment	161.6	84.0	84.0	144.0	80.5	80.5
Capital Grants	1,200.0	1,184.7	1,184.7	1,184.7	1,184.7	1,184.7
Regeneration	7,023.5	6,800.0	0.0	0.0	0.0	0.0
Leisure & Culture	478.0	520.0	397.0	356.0	360.0	360.0
Strategic Property	18,545.1	563.0	0.0	0.0	0.0	0.0
Organisational Change	70.0	0.0	0.0	0.0	0.0	0.0
Rolling Programmes	997.0	1,011.0	1,031.0	1,796.0	1,338.0	1,313.0
Total Expenditure	28,554.1	10,172.7	2,706.7	3,490.7	2,983.2	2,958.2

Annex 4

EXPENDITURE: DETAILED PROGRAMME

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
WASTE MANAGEMENT & RECYCLING						
Earlswood Depot/Park Farm Depot	20.0	10.0	10.0	10.0	20.0	20.0
Bartec Collective Upgrade Garden & Trade Waste	58.9	0.0	0.0	0.0	0.0	0.0
	78.9	10.0	10.0	10.0	20.0	20.0
ENVIRONMENT						
Air Quality Monitoring Equipment	95.6	48.0	48.0	108.0	40.0	40.0
Contaminated Land - Investigation work	60.0	30.0	30.0	30.0	30.0	30.0
Land Flood Prevention Programme	6.0	6.0	6.0	6.0	10.5	10.5
	161.6	84.0	84.0	144.0	80.5	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	120.0	120.0	120.0	120.0	120.0	120.0
Disabled Facilities Grant	964.7	964.7	964.7	964.7	964.7	964.7
Repossession Prevention Fund	45.3	30.0	30.0	30.0	30.0	30.0
Capital Grants	20.0	20.0	20.0	20.0	20.0	20.0
	1,200.0	1,184.7	1,184.7	1,184.7	1,184.7	1,184.7

Annex 4

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
REGENERATION						
Merstham Regeneration	1,185.5	0.0	0.0	0.0	0.0	0.0
Redhill Public Realm Improvements	52.3	0.0	0.0	0.0	0.0	0.0
Marketfield Way Redevelopment	1,990.0	0.0	0.0	0.0	0.0	0.0
Cromwell Road Redevelopment	3,100.0	6,300.0	0.0	0.0	0.0	0.0
Horley Public Realm Improvements - Phase 3	30.0	500.0	0.0	0.0	0.0	0.0
Preston - Parking Improvements	572.3	0.0	0.0	0.0	0.0	0.0
Preston - Landscaping	33.7	0.0	0.0	0.0	0.0	0.0
Burgh Heath Path Improvement	59.7	0.0	0.0	0.0	0.0	0.0
	7,023.5	6,800.0	0.0	0.0	0.0	0.0
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
Harlequin Property Maintenance 2017-18	52.0	150.0	40.0	0.0	0.0	0.0
Harlequin Maintenance	7.0	7.0	25.0	25.0	25.0	25.0
Play Area's Improvement Programme	294.0	218.0	222.0	226.0	230.0	230.0
Park & Countryside - Infrastructure & Fencing	45.0	45.0	45.0	45.0	45.0	45.0
Tanyard Barn Community Centre	15.0	0.0	0.0	0.0	0.0	0.0
Priory Park Maintenance	5.0	40.0	5.0	0.0	0.0	0.0
	478.0	520.0	397.0	356.0	360.0	360.0
STRATEGIC PROPERTY						
Warwick Quadrant - Hotel Development	4,989.4	0.0	0.0	0.0	0.0	0.0
Court Lodge Development	84.9	563.0	0.0	0.0	0.0	0.0
Lavender Sandpit Residential Development & Nature Reserve	20.7	0.0	0.0	0.0	0.0	0.0
64 Massetts Road	650.0	0.0	0.0	0.0	0.0	0.0
Forum House	6,161.0	0.0	0.0	0.0	0.0	0.0
Beech House	6,304.0	0.0	0.0	0.0	0.0	0.0
Lee Street Bungalows	335.1	0.0	0.0	0.0	0.0	0.0
	18,545.1	563.0	0.0	0.0	0.0	0.0

Annex 4

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
ORGANISATIONAL CHANGE						
Replacement Photocopiers/Printers	70.0	0.0	0.0	0.0	0.0	0.0
	70.0	0.0	0.0	0.0	0.0	0.0
ROLLING PROGRAMMES						
Vehicles & Plant Programme	565.0	610.0	582.0	1,542.0	846.0	846.0
ICT Replacement Programme	100.0	100.0	275.0	100.0	300.0	275.0
Council Offices Programme	100.0	30.0	30.0	30.0	30.0	30.0
Day Centres Programme	50.0	50.0	20.0	0.0	0.0	0.0
Commercial Investment Properties	50.0	50.0	50.0	50.0	76.0	76.0
Car Parks Capital Works Programme	30.0	30.0	30.0	30.0	30.0	30.0
Public Conveniences	10.0	1.0	5.0	5.0	4.0	4.0
Cemeteries & Chapel	10.0	10.0	0.0	0.0	10.0	10.0
Allotments	2.0	20.0	4.0	4.0	2.0	2.0
CCTV Rolling Programme	30.0	30.0	30.0	30.0	30.0	30.0
Disaster Recovery Systems Upgrade	40.0	70.0	0.0	0.0	0.0	0.0
Infrastructure (Walls etc.)	10.0	10.0	5.0	5.0	10.0	10.0
	997.0	1,011.0	1,031.0	1,796.0	1,338.0	1,313.0