OVERVIEW & SCRUTINY COMMITTEE

10 DECEMBER 2015

ADDENDUM TO AGENDA

Agenda Item 5

BUDGET SCRUTINY PANEL REPORT

To consider the report of the Budget Scrutiny Panel and make any comments on the service and financial planning (provisional budget) 2016/17, for consideration by the Executive in line with the Council's budget and policy procedure rules.

REPORT OF THE BUDGET SCRUTINY REVIEW PANEL

26th NOVEMBER 2015

REVIEW OF THE PROVISIONAL BUDGET PROPOSALS 2016/17

Present: Councillor N.D. Harrison (Chairman); Councillors M.S. Blacker, R.W. Coad, J.C.S. Essex*, J.S. Godden, and J.M. Stephenson*.

Also present: Councillor G.J. Knight, Executive Member for Finance
Councillor Mrs R. Renton, Executive Member for Housing & Welfare

*Part meeting only

Apologies: Councillor B.A. Stead

Councillor J.M. Stephenson had sent apologies for lateness.

INTRODUCTION

1. The Chairman welcomed Councillor G.J. Knight, Executive Member for Finance; Councillor Mrs R. Renton, Executive Member for Housing & Welfare; John Jory, Chief Executive; Kathy O'Leary, Deputy Chief Executive; Bill Pallett, Head of Finance; Gavin Handford, Head of Corporate Policy, Performance and Parking; and Tom Kealey, Head of Leisure, Environmental Health & Community Regulation to the meeting, all of whom assisted the Panel in responding to its advance questions.

2. The Chairman reminded all present of the Panel's aims, which were to determine whether the Service and Financial Planning proposals for 2016/17 were achievable, realistic, and based on sound financial practices.

BACKGROUND

3. The Panel received the Service & Financial Planning (Provisional Budget) 2016/17 report as approved by the Executive on 12 November 2015 for consultation and containing the following:

   - the Medium Term Financial Plan 2016/17 to 2020/21;
   - savings totalling £1.235m (amended from the report to exclude the ceasing of direct mail neighbour notifications for Planning applications), and growth totalling £625,000, providing net savings of £610,000; and
   - an updated Capital Programme for 2016/17 to 2020/21;
   - the creation of a new Income Equalisation revenue reserve.

4. Ahead of the meeting, the Panel had received analyses of budgetary trends over recent years and the development of the estimated 2016/17 budget requirement, as well as briefing notes providing supporting information in relation to the growth proposals for Bed and Breakfast (£214k) and Recyclates (£300k).

5. Members of the Panel had submitted a total of 92 advance questions and sub-questions, which had been grouped into 12 sections. The responses to these questions had been circulated in advance and are set out at Appendix 1.

6. The Panel noted that the Executive on 12 November had also received the Feedback Report from the recent LGA Corporate Peer Challenge. The Report had concluded that Reigate & Banstead was a leading council with strong financial management, and included recommendations relating to financial sustainability and the funding of 5 Year Plan priorities. It was noted that the Overview and Scrutiny Committee would consider this Report and its recommendations at its meeting on 10 December 2015, alongside consideration of the Budget Scrutiny Review Panel's report, and would be asked to provide comments to the Executive. Responses to the recommendations made by the Peer Challenge team, as agreed by the Executive in an action plan, would be incorporated into the Service and Financial Planning process for 2016/17 where possible. It was expected that the Budget Scrutiny Review Panel would consider any significant budgetary impacts arising from the action plan.

REVIEW OF THE SERVICE AND FINANCIAL PLANNING PROPOSALS

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

2015/16 Performance

8. *Section 1 c) (ii)*: The Panel noted that despite the favourable variance currently forecast in Building Control for 2015/16, no saving or income growth had been proposed for 2016/17. In response, the Panel were advised that expenditure had increased due to the need for temporary staff. Ongoing work to move to a new shared service model with Tandridge District Council meant there was uncertainty about future costs and income.

[Councillors J.C.S Essex and J.M. Stephenson arrived during this part of the meeting].

Approach to 2016/17 budget preparation

9. *Section 2 a)*: The Panel noted that the assumed 1% increase in the Council Tax base was similar to previous assumed and actual increases, and that in fact new registrations for 2015/16 to date had been higher than the assumptions for the current year. It was noted that the amount of NNDR (Business Rates) retained locally is based on a Government determined baseline which is intended to reflect the Council's assessed need, and that no information had as yet been received to indicate whether there would be any change to this. The Panel noted that the provision for NNDR appeals had been increased to reflect an increase in the frequency of such appeals, but that this had no direct impact on the estimated NNDR income for 2016/17.

10. *Section 2 a) and c)*: The Panel noted that the actual figures for Council Tax, NNDR and benefits grant subsidy for 2015/16 were very close to the estimated amounts, and the Executive Member for Finance was confident in the estimates for 2016/17.

Council Tax

11. *Section 3 c)*: The Panel noted that the provision for Council Tax bad debts was determined by reviewing collection rates and trends over a number of preceding years. On an individual basis, debts were provided for at 10% up to one year, and at 100% following that. It was also noted that the impact of the Local Council Tax Support Scheme on the Collection Fund was negligible.

Reserve Funds and Grants

12. *Section 4 a)*: It was noted that expenditure of £600k from the Corporate Plan Delivery Fund (CPDF) was anticipated for 2016/17. Details of £401.5k of this expenditure were available and were set out in the response to this question.

13. *Section 4 b)*: The Panel noted that Economic Prosperity initiatives such as Small Business Grants and a focus on supporting SMEs would be fully funded from the CPDF and would have no impact on the revenue budget. It was noted that costs relating to the Community Infrastructure Levy (CIL) and Development Management Plan (DMP) were cumulative projections over 3 and 2 years respectively, and it was therefore not yet clear what exact level of CPDF expenditure would be required in 2016/17. However, the anticipated expenditure of £600k from the CPDF allowed for further spending of £198.5k on such items.

14. *Section 4 b)*: It was noted that CPDF expenditure was reported to Members throughout the year as part of the quarterly performance reports. It was noted that the forecast balance at the end of 2015/16 was £1.5m, and the Panel were assured that there was sufficient provision for the expenditure planned for 2016/17. The Chief Executive explained that the CPDF was used for project and one-off expenditure associated with delivery of the 5 Year Plan

2015-20 (previously known as the Corporate Plan), on top of the expenditure on ongoing services reflected in the revenue budget.

15. *Section 4 d)*: The Panel noted that there was a low risk of any budgetary impact from the centralisation of land charges in 2016/17.

16. *Section 4 e)*: Officers informed the Panel that the proposed maximum level of the new Income Equalisation revenue reserve (£1m) had been calculated based on 10% of the Council's commercially dependent income. It was noted that this money would otherwise remain in the General Fund, from where it was proposed that it would be transferred.

17. *Section 4 f)*: The Panel noted that the £3.675m secured from the Coast to Capital Local Enterprise Partnership (LEP) for Wider Redhill Sustainable Transport Measures (including Horley) was not reflected in the budget proposals as this was an allocation to Surrey County Council (SCC), to be spent within the borough.

18. *Section 4 h)*: The Panel heard that district and borough councils in Surrey were lobbying for the continuation of the Personalisation and Prevention Partnership Fund (PPPF), which was now funded through the Better Care Fund, but that this was only allocated until the end of 2016/17; this would be an important matter for consideration in relation to the budget proposals for 2017/18 and had been identified in the LGA Peer Challenge.

19. *Section 4 j)*: In relation to New Homes Bonus expenditure, the Panel noted the Neighbourhood Improvement Fund proposals due to come before the Executive on 3 December 2015. It was also noted that the Comprehensive Spending Review announcements made on 25 November 2015 had included a reduction in the lifetime of the New Homes Bonus from six to four years and changes to the allocations mechanism; it was not yet clear how this would impact on the Council.

20. Section 4 k): The Panel noted that the balance in the New Homes Bonus reserve at the end of 2016/17 was expected to be in the region of £11.5 million, before any additional expenditure initiatives.

Salary budget and HR implications

21. *Section 5*: The Panel noted that the Council's Pay Policy Statement (to be agreed by Full Council in February 2016) would have regard to the new National Living Wage due to be introduced in April 2016, in addition to the national minimum wage and voluntary living wage, as was customary. It was noted that the Council already paid above the requirements of the new National Living Wage.

22. *Section 5 a) and b)*: It was noted that the Council's salaries compared favourably with those of other local authorities in Surrey and that, mindful of the proximity and attraction of London, a package of additional offers (such as

performance related increments and talent development programmes) was used to attract and retain staff. The Panel was informed that turnover was generally healthy, despite ongoing challenges in recruiting permanent staff to some specialist service areas such as Building Control.

23. *Section 5*: The Panel noted that the Council maintained a centrally held training budget as well as distributed training budgets for each service, and that both had been significantly reduced in recent years; the Panel recognised the importance of providing high quality programmed training and development to meet the needs of Council staff.

24. *Section 5 e) and g)*: It was noted that temporary staff currently occupied a number of vacant posts in order to meet operational needs.

Service Plans and Savings Proposals

25. *Section 6 b)*: The Executive Member for Finance told the Panel that the 2016/17 budget proposals did not include any reduction of services. It was noted that this was in line with the Executive's adopted policy position favouring income generation above cuts to council services.

26. *Section 6 c) and d)*:The Executive Member for Finance assured the Panel of his confidence in the income generation proposals set out within the Service and Financial Planning report, and made reference to the response under question 10a) regarding the Property proposals, many of which had already been confirmed.

27. *Section 6 c) (iv)*: The Panel was informed that the transition from the Community Transport Bus Service to the Taxi Voucher Scheme would provide residents with a better service, whilst avoiding significant cost increases for the Council.

28. *Section 6 e)*: The Panel was informed that the proposed Harlequin Theatre ticket levy would not lead to increases in ticket prices, as the cost would be absorbed by the agent/promoter for each event. The Panel noted that the Harlequin had performed excellently in recent years, with ticket and secondary sales increasing yearly, and that with due regard to market resistance a stepped approach was taken to any price increases.

29. *Section 6 g)*: The Panel noted the planned removal of discounted allotment fees for pensioners, which had been withdrawn from the 2015/16 budget proposals. The Panel was informed that demand for allotments varied across the borough but was generally high, with waiting lists in some areas.

30. *Section 6 h)*: Officers informed the Panel that negotiations for the new highways verge maintenance service (a county council service currently provided by the borough council under contract) had been continuing since despatch of the Agenda for this meeting, and that Surrey County Council had completed a tendering exercise, following which they had set the value of the

service contract £60k lower than its present cost. It was noted that the Council already subsidised the cost of the current contract in order to provide the quality of service (extra grass cuts) required by residents. Negotiations were ongoing, but it was noted that this was a significant risk in terms of the potential budgetary or service impact.

31. *Section 6 i)*: The Panel noted that the Council's Garden Waste scheme was competitive in terms of both its rates and the service offer, and that membership had continued to rise following a fee increase in 2015, with little negative feedback from users. It was noted that a project to improve the Council's Trade Waste service in order to generate further income was underway.

32. *Section 6 l) and m)*: The Panel heard that savings proposals in car parking were related to the planned introduction of a broader range of tariffs in order to better cater to the differing demands and economies of the borough's towns. It was noted that there were also plans to introduce pay-on-exit systems in the Council's multi-storey car parks, and that anticipated increases in time spent as a result would have a benefit to the local economy. This proposal would be subject to a separate report to the Executive in early 2016.

Growth Proposals

33. *Section 7 a)*: In relation to the Family Support Programme, the Panel noted that the reduction in the Council's funding allocation from Surrey County Council under the new distribution formula was accounted for within the growth proposals.

Bed and Breakfast (and Welfare Changes)

34. *Section 8*: The Panel noted that the Council was able to recoup approximately 25% of the cost of housing individuals in Bed and Breakfast (B&B), via Housing Benefit.

35. *Section 8 e)*: The Deputy Chief Executive provided further information on the range of initiatives underway to reduce the Council's B&B costs. These were addressing the complex chain of homelessness at every possible stage, including:

- *Prevention* - Revenues and Benefits were engaging with partner agencies to address welfare changes, and the Council was working closely with private sector landlords as well as Registered Providers to try and reduce the number of evictions occurring;
- *Internal processes and distribution of resources* – a review was being undertaken with a view to increasing the speed and efficiency with which homelessness applications were processed;
- *Temporary accommodation* - it was noted that the Council now owned seven temporary accommodation units, with a further two approved for

construction and six more planned. These had been funded through S106 monies. Housing Associations were becoming increasingly reluctant to house individuals with a history of debt or behavioural issues; and

- *Permanent accommodation* - the Panel noted that no amount of additional temporary accommodation would be enough whilst there was not enough permanent accommodation to move people into, and so this was also an area that was being explored.

36. *Section 8 e)*: The Panel was informed that a range of measures addressing the above would be tested during 2016/17, with the outcomes to be incorporated into the 2017/18 Service and Financial Planning proposals.

37. *Section 8 c), g) and h)*: The budget for 2016/17 was based on an average of 25 households in B and B accommodation for the year (the current average), at the current level of costs per night (seven months through to November 2015). It was noted that this assumption could be adversely affected by the introduction of welfare changes, but these were anticipated to take effect towards the end of 2016/17 (it was not yet known when the second tranche of Universal Credit would be implemented), and they would be offset by the impact of the measures described above.

38. *Section 8 c)*: The Executive Members for Finance and Housing & Welfare were confident that the budget assumptions were realistic. However, the Panel noted the risk associated with this budget area as demonstrated in the response to advance question 8c) – the net annual cost of an average of a further 5 households (i.e. a total of 30) per night in B&B would be £96k greater than the budgeted cost.

39. *Section 8*: The Panel noted that finding a sustainable long-term solution to this problem was being treated as a matter of the highest priority.

Recycling

40. *Section 9 a) and d)*: The Panel noted that the forecast overspend for 2015/16 had been used as the primary assumption underpinning the 2016/17 growth proposal relating to a shortfall in dry mixed recycling costs/income (based on the current gate fee of £76 per tonne). It was noted that changes in price and gate fees were subject to international markets, which remained volatile. Information received by the Panel showed that 2015 gate fees had reached a peak of £85 per tonne; if this level of charge prevailed in 2016/17 the extra costs would be in the region of £50k.

41. *Section 9 c)*: The Panel noted that the paper prices (income) for the 2016/17 budget was set at £52 per tonne which was similar to the price of £55 per tonne set for the 2015/16 budget and reflected a measure of stability in this market, although unexpected market fluctuations were possible.

42. *Section 9 f)*: The Panel noted that the timetable for the rollout of the recycling service to flats was taking longer than had been originally planned. It had been affected by a range of factors, including early problems with contamination and a reluctance to engage from some residents. The Panel were informed that 100% rollout would be achieved by the end of 2016/17, whereby contact would have been made with every flat in the borough and the recycling service introduced where occupants were found to be receptive, and where flats had space for recycling bins. It was noted that the next stage would be to re-engage those residents who were neither enthusiastic nor completely unreceptive and to promote recycling.

43. *Section 9 g)*: The Panel noted that the rollout had not been in effect for long enough for it to be possible to accurately quantify the additional recycling impact per flat; the impact of the rollout would be reviewed and considered in preparing the Service and Financial Planning proposals for 2017/18.

44. *Section 9:* It was noted that there was no associated provision in the Capital Programme for 2016/17 (for the purchase of bins) because unspent capital resource budgeted for 2015/16 would be carried into 2016/17.

Property

45. *Section 10 a)*: The Panel noted that the Council was in the process of acquiring a unit at Reading Arch Road which would be let to generate a revenue income, and which would increase the Council's interest in the site with a view to a future strategic redevelopment.

46. *Section 10*: It was noted that the Warwick Quadrant was due to achieve completion in Spring 2017, and would therefore not have an impact on the 2016/17 proposals.

Capital programme

47. *Section 11 b)*: The Panel noted that no figures were included for Right to Buy receipts in the breakdown of projected Capital Programme funding sources for 2016/17 and beyond, as these were too difficult to predict. The same was applicable to S106 funding. It was noted that implementation of the Community Infrastructure Levy (CIL) was planned for April 2016, and that since CIL was as yet untested it was extremely hard to quantify this as a comparison with S106, which the Council would still be able to apply on certain specific sites.

Other

48. *Section 12*: The Panel enquired as to whether the Council had given any thought to crematorium provision, which had the potential to generate significant income. It was noted that the Executive was cognisant of a demand arising from a lack of local service provision catering for borough residents, but that there were sensitivities associated with such a project.

SCRUTINY PROCESS

49. Some Members of the Panel expressed a preference for the savings and growth proposals to be presented in a different format in future years. This was noted, and would be considered further outside of the meeting, in consultation with the Chairman of the Panel and the Leader and Executive Member for Finance.

50. The Chairman thanked the Executive Members and Officers for their attendance and support in the scrutiny of the service and financial plans.

TIMETABLE

51. It was noted that the recommendations of the Panel would be reported to the Overview and Scrutiny Committee on 10 December 2015, with recommendations as agreed by the Committee subsequently reported to the Executive on 7 January 2016. Final budget proposals were due to be considered by the Executive on 28 January 2016, and by Full Council on 13 February 2016.

CONCLUSIONS

52. The Panel thanked the Executive Member for Finance, Executive and Officers for their work to prepare the Service and Financial Planning report for 2016/17, and thanked them further for the detailed and timely responses to the advance questions.

53. The Panel noted that the draft budget was balanced, while accommodating a reduction in Revenue Support Grant of over £450k as well as combined growth proposals of over £500k for additional Bed and Breakfast and recycling costs. This was to be achieved through a series of efficiency savings and revenue generation initiatives to put the Council on a more commercial basis.

54. The Panel noted that the Council had made significant efficiency savings over the last six years, which had resulted in headcount reductions. It was noted that these headcount and consequential salary cost reductions were now levelling off.

55. The Panel recognised that no budget planning process was without risk, and identified the following particular risks that needed to be monitored throughout 2016/17 and when considering performance and future budgets:

- The increasing reliance on income streams (as opposed to service cuts), in accordance with the Council's policy to be more commercial. Income streams came with an inherent risk, which would need to be carefully monitored;

- Existing levels of homelessness in the borough, the potential impact of forthcoming welfare changes, and the associated cost to the Council by way of provision of Bed and Breakfast accommodation;
- Reduced income from recyclates, due primarily to continuing volatility in the recycling market, and in lesser part from any further delay in completion of the rollout of recycling to flats;
- The impact of a proposed cut by Surrey County Council to the value of the contract for highways verge maintenance, in either budgetary or service delivery terms;
- The impact of possible service cuts by the County Council in future years.

56. The Panel, however, recognised that the Executive and Officers were aware of these risks and were actively focussed on their management.

57. The Panel agreed that the proposals had limited impact on the range and quality of services provided, with the exception of the possible reduction in the number of highways verge cuts (still in negotiation with Surrey County Council),

58. The Panel recognised that the budget would be challenging, but had no significant concerns in the context of the budget as a whole. Therefore overall, the Panel concluded that the 2016/17 budget proposals were achievable, realistic and based on sound financial practices and reasonable assumptions.

59. The Panel considered that the savings proposals, in conjunction with the substantial reserves detailed in the Medium Term Financial Plan, placed the Council in a sound financial position.

60. In relation to future years (2017/18 and beyond), the Panel noted the government's intention to phase out Revenue Support Grant, albeit with the retention of business rates by local government. Details of the new arrangements and their impact on the Council were uncertain. The Panel supported the Executive's policy to extend commercial revenue sources, to continue to drive efficiency savings and protect services to residents.

RECOMMENDATIONS

61. **The Panel recommended:**

i) That in response to the Service and Financial Planning (Provisional Budget) 2016/17 report, the following comments be submitted for the consideration of the Executive:

a. That the Overview and Scrutiny Committee thanks the Executive Member for Finance, Executive and Officers for preparing balanced budget proposals for 2016/17;

b. That the Overview and Scrutiny Committee considers the following to be achievable, realistic and based on sound financial practices and reasonable assumptions:

i. The provisional budget proposals for 2016/17 and Medium Term Financial Plan for 2016/17-2020/21

ii. Savings proposals totalling £1.235m

iii. Growth proposals totalling £0.625m

iv. Updated Capital Programme

v. The creation of a new Income Equalisation revenue reserve.

c. That the Overview and Scrutiny Committee considers the potential impact of the savings and growth proposals on service delivery to be limited;

ii) That the Executive be asked to note the strengths and risks within the budget proposals, as identified by the Budget Scrutiny Panel and set out in the conclusions of their report.

iii) That the Overview and Scrutiny Committee and the Budget Scrutiny Review Panel consider any significant future budgetary impacts arising from the action plan developed to respond to the recommendations of the LGA Corporate Peer Challenge.

The meeting closed at 9.24pm.

Budget Scrutiny Review Panel
26 November 2015
Review of the Service and Financial Plans for 2015/16
Advance Questions

Section 1 2015/16 Performance

a) After quarter 1, a year-end adverse variance of £339k was forecast. What is the current forecast for the year, and what are the major changes in variances since quarter 1? How have they been factored into the 2016/17 budget?

At Quarter 2 an adverse variance of £326,800 was forecast. There have been changes in individual projections but the key drivers of the overspend are unchanged and are the subject of growth proposals in the 2016/17 budget.

b) In comparing the budget monitoring report by service for quarter 1, it appears that the variations between original budget and management budget include more than the addition of Corporate Plan Delivery Plan monies. Could it be confirmed that this reflects changes in organisational structure?

The none-CPDF changes are virements of budget from one area to another with no overall impact on the size of the budget. Examples include the distribution of some training budget from HR to individual services and the movement (reorganisation) of the internal audit budget from the Projects & Assurance to Finance.

c) Quarter 1 variances and review of savings and growth reflected in 2016/17 budget. Comments and questions are as follows:

[Comments on Housing and Waste & Recycling are discussed in Sections 8 & 9]

(i) Parks & Countryside are forecast to be £130k under plan for the year, due to operational changes. Please relate to the efficiency measures set out in the 2016/17 savings proposals.

The projected underspend for 2015/16 includes early delivery against some of the items identified for the 2016/17 budget setting process. These include salary savings for 2 vacant posts, re-balanced salary costs for new post holder, fuel savings due to revised rounds and vehicles being store overnight at the depot, over-recovery of income and a reduction in the use of overtime.

(ii) There is a forecast saving in Building Control of £167k, yet the commentary discusses the expensive use of interim surveyors. No

2016/17 budget changes are discussed. Could the risk in this area be clarified?

Building Control has seen an increase in applications in 2015/16, resulting in higher than anticipated income. There are also higher staffing costs due to the need to employ interim surveyors due to challenges in recruiting permanent staff. This is a national skills issue.

There are no budget proposals for 2016/17 as we are developing a shared service proposal with other Councils in East Surrey. This will increase the resilience and competitiveness of the service. This was approved, in principle, by the Executive in June 2015. Further work is being completed to develop the business case and operating model for a shared service. It is anticipated that this will be reported to the Executive in early 2016.

(iii) Is the overspend in salary costs in the Chief Executive's Unit likely to be repeated?

The salary budgets are reset each year but do not plan for any performance related payments. These are met within the overall salary budget for the organisation, balanced by underspends where vacancies occur. However, in small service areas, such as the Chief Executive's Unit, this can result in overspends.

(iv) Will the IER grant for Democratic & Electoral Services be repeated and/ or should the Electoral Services trainee be made a permanent increase? Commentary indicates this needs to be reviewed.

The implications of IER continue to be monitored. However, the first canvass under IER is still underway, with the register due to be published on 1 December. It is considered unlikely that a special IER grant will continue, but growth was incorporated in the 2015/16 budget to recognise this. Resource requirements, including staffing, will continue to be monitored and reviewed if required.

(v) Commentary suggests budget for Environmental Health will be reduced to reflect loss of EP income from MVDC; not clear if this has been actioned.

Both the Quarter 1 and Quarter 2 Budget Monitoring reports identified this as a growth pressure. Subsequent analysis of the budget has identified that other sources of income within this area can be used to meet the income target (please see (vi) below.

(vi) Additional income in Environmental Licensing (£47k) not fully reflected in growth proposals (£10k).

Please see (v) above.

(vii) Cash investment returns are £32k behind plan (Half-Yearly Treasury Management Report). With forward guidance from the Governor of the Bank of England indicating this may continue for some time to come, should the budget be revised downwards?

Changes to the Treasury management Strategy in March 2015 will allow for more investments in excess of 1 year. Such investments attract slightly better interest rates and will close the current gap for next year as more become available to us.

(viii) Should the favourable variance in Legal (£25k) be factored into the budget?

It has not proved possible to maintain this favourable variance in the current year. This risk was recognised as the budget proposals were being prepared and so it was not put forward as an adjustment for 2016/17.

(ix) Should the better than anticipated Local Taxation income be factored into the budget?

The better than anticipated Local Taxation income reported in Quarter 1 is difficult to predict with any degree of certainty – as reflected by the reduction by Quarter 2. It is more prudent to treat any positive variances in this area as "windfall" rather than build this uncertainty into the base budget.

Section 2 Approach to 2016/17 budget preparation

a) Please set out in a table the make-up of the Council Tax and Grant Income required to make up the Estimated Budget Requirement for 2015/16 (both budget and forecast) and 2016/17 in terms of Council Tax, Government Grants (RSG and retained NNDR), and the relevant sources of information and key assumptions (for example the growth in the Council Tax base and retained business rates (NNDR).

	2015/16 (Actual) £m	**2016/17 (Estimated) £m**
Council Tax	11.84	12.14
Revenue Support Grant	1.67	1.21
NNDR (Business Rates)	2.16	2.16
Total Net Budget	**15.67**	**15.51**

Key Assumptions
Council Tax: a 1.94% increase with a 1% increase in the Council Tax base.
RSG: will reduce to zero by 2019/20 in 25% annual reductions.
NNDR: losses of income to residential conversions and appeals will offset any potential growth.

b) The yearly tables showing the Development of the Estimated Budget Requirement show changes between the stated requirement for 2015/16 in last year's report and the "starting point" for 2015/16 in this year's report. Clearly the savings and growth proposals in the 2015/16 budget are the major element in the change, but does this account for all the movement?

For, example, there is a significant difference in income where the 2015/16 reported requirement is £13.23m (£13.10m + £0.13m) and the 2016/17 reported starting point £14.46m. The schedule of growth and savings proposals for 2015/16 shows a net change of only about £500k (£892k minus £360k). Is there another factor which accounts for the other £700k?

The £700,000 difference is a largely result of changes to the way benefits grant subsidy is presented (see c below). This accounts for around £600,000 with the remainder due to the in-year increases in garden waste subscription.

c) The yearly tables showing the Development of the Estimated Budget Requirement show a difference in the Transfer Payments in and out. The 2015/16 report shows a surplus of about £900k (£35.86m out and £36.77m in), whereas the 2016/17 report shows a deficit of about £450k (£38.95m out and £38.53m in). It is understood the surplus is the "benefits subsidy" (note the Q1 forecast shows a favourable £60k variance in benefits). Please explain the changes.

The level of subsidy does vary from year to year based on assumptions about the types and levels of benefits expected to be claimed but this is not the main reason for this change. It is largely due to a presentational change. Previously it was shown as part of the overall transfer payments but now it is included in "income" (ie last year's figures were "net", this years are "gross").

If the 2016/17 figures were restated on the same basis they would have indicated a "surplus" of around £800,000.

d) The net revenue budget has been presented along with information on how this has varied from 2009/10 to 2016/17. Please provide a similar indication of how the gross budget has changed over this same period, and an overall breakdown of the gross budget for 2016/17, including income and expenditure, at the same level of detail as the capital budget.

This information is shown in the Budget Book for each relevant year and can be found in the e-Members area:

https://members.reigate-banstead.gov.uk/members/performi/evenuebudget.asp

e) The savings and growth proposals only show the change from the previous year. I believe this is the change from the budget. I would find it much more informative to show for each line item the:

Budget	2015/6
Forecast Outturn	2015/6
Budget	2016/7

The budget requirement for a specific area is based on the best estimate of that function's future needs. This will reflect past and current years' performance but will also anticipate future opportunities/pressures. Where a budget pressure or opportunity - identified during the current year - is expected to impact on future years then an adjustment will be – and has been - proposed.

Section 3 Council Tax

a) What is the Council Tax collection rate for 2015/16, compared to budget? Is there a surplus in the collection account? Are adjustments required to the budget plan for 2016/17?

At the end of Quarter 2 the actual collection rate was at 58.0%. The total in-year collection is forecast at 98.7% with an overall collection rate of 99.2% over the life-time of the debt. These collection rates are on budget and in line with prior year performance. There are no changes to the collection rate for the proposed 2016/17 council tax base.

b) What assumption is made for new properties? Has this been borne out in practice?

There is an assumption that the tax base will increase by around 500 new Council Tax registrations per year. The Council Tax Base Report (Council, 17 December 2015) indicates a rise of just over 670.

c) What has been the impact of the Localisation of Council Tax Support on the budget position for 2015/16 (government funding gap offset by local support arrangements). What has been the impact of the reduced local discounts to owners of empty properties and second homes? Do these results require adjustment to the 2016/17 budget? Are we building up uncollectible balances from households receiving council tax support? What is our policy for providing for bad debts in this area?

Following the changes referred to above, the overall (in-year) Council Tax collection rate in 2014/15 was 98.6%, with those receiving support paying 83.1% of their liability. The arrears continue to be collected in 2015/16 and the collection rate has subsequently risen to around 90%.

The sums collectable from households receiving support can be low, but the arrears currently amount to around £300,000 (of which 12% - or £36,000 is attributable to RBBC). It has been shown that these smaller amounts are harder to recover in some cases, but over time they can be collected.

Debts are only written off when all avenues of recovery have been exhausted and when it would be uneconomical to take any further action.

The Collection Fund has a provision for total Council Tax bad debts of £2.1m.

No changes are proposed to the 2016/17 budget as a result of these factors.

d) Please discuss the budgetary impact of challenges to business rates valuations for 2015/16 and 2016/17.

A provision for appeals is included in the NNDR1 return to Central Government made in the January prior to the start of the financial year in April. In 2015/16 the provision was set at £2.2 million compared to a net rates payable of £50.1 million. The appeals provision for 2016/17 has not yet been set but may need to increase depending on the degree of backdating applied to any appeals. The impact of this is contained within the Collection Fund with no revenue budget impact in 2016/17.

Section 4 Reserve funds and grants

a) Please provide a breakdown of the planned spending of the Corporate Plan Delivery Fund in 2015/16, anticipated usage of £600k from the Corporate Plan Delivery Fund (CPDF) in 2016/17, and how this relates to the individual projects supported by the CPDF in 2015/16, including job descriptions and tasks if this is to fund staff.

Planned spending from the CPDF for 2015/16 is shown as Annex 1 to the quarterly Revenue Budget Monitoring Reports. Plans for 2016/17 are shown on the attached document.

b) Paragraph 42 anticipates increased CPDF support to economic development activities and support to local businesses. Paragraph 44 indicates continued support to the Development Management Plan. Please indicate the spending profiles required, which for the DMP will presumably roll on into 2017/18?

Economic Prosperity

- Small Business Grants – growth of £10,000pa. As the scheme becomes more widely known demand is likely to increase.
- SME focus - £42,000pa. Targeted engagement with growth potential businesses in the borough. The current work programme has a focus on start-up / micro businesses and the large employers.

  There are a relatively small number of established SMEs that have the capacity to grow and create employment.

  These businesses are recognised as being difficult to engage with, primarily because they are successful and busy - the very criteria that gives them the potential to develop. A programme of direct engagement would encourage them to consider any growth plans, and to take up any appropriate support offer.

- Start-up workshops for prospective entrepreneurs - £6,000pa. The successful New Enterprise Allowance scheme was withdrawn in January 2015. We could introduce a similar offer to meet local needs.
- Economic Development Framework delivery - £50,000pa – numerous initiatives

Development Management Plan

- Community Infrastructure Levy – £109,000 cumulative net over 3 years. Start-up costs and officer for CIL implementation – some cost in years 1-3 then nil cost.
- DMP production £185,000 over 2 years to cover studies, consultation, publication and examination costs.

c) Please explain the spending of £180k on policy re-organisation project posts in 2015/16 and confirm this will be one-off.

This expenditure relates to the regeneration project officer posts - which is currently a recurring, ongoing cost to the Council linked to service plan delivery. Two of the posts are fixed term contracts which will end in 2017/18.

d) Uncertainties – what is the likely range of the uncertainties set out in paragraph 74 (single local growth fund, centralisation of the land charges service, public health changes)?

It is very difficult to quantify the impacts of these factors as many are new and unknown. For example, the financial impacts of ongoing welfare and benefits changes (including Universal Credit), access to the single local growth fund, changes arising from responsibility for public health moving to local government and the likelihood of increasing use of joint/community budgets are not known at the current time. The proposals to centralise the land charges service could reduce Council income by up to £300,000 if the entire service was taken over by some central, national agency but this seems unlikely at the current time.

e) What is the logic of establishing the Income Equalisation Reserve – why not just retain the balances in the General Fund? Does it indicate that this balance is likely to be called on to support the budget?

The purpose of any specific reserves is to guard against a specific risk becoming an issue with financial consequences. As we become more dependent on income to balance our budget it seems reasonable to set up a specific reserve to guard against income volatility. It also ensures that the balance on the General Fund remains at a level that is able to cushion us from the impact of unforeseen issues.

f) What funds have been sought / expected from the LEP for 2016/17 and beyond?

- Wider Redhill Sustainable Transport Measures (including Horley) - £3,675,000 is secured.

- A bid is currently being developed for £4.8m of funding for sustainable transport measures in the Epsom – Banstead area (including Preston).
- We may also see indirect benefits as a result of the £3m being sought for wider network improvements in East Surrey.
- Proposals for Growth Bid Round 3 are currently being developed.

g) What other grants are being sought / expected for 2016/17 and beyond?

No new grants are anticipated in 2016/17 though this may change as Government proposals on welfare reform and public health further evolve.

h) It is noted that the Personalisation and Prevention Partnership Fund (PPPF) ends in 2016/17. Last year it was stated that "it is anticipated that the majority of these initiatives/ services will become self-sustaining". Is this realistic? Please confirm what plans will be made for continuation of the activities currently funded under the Personalisation, Prevention and Partnership Fund from Surrey County Council.

Yes, this is realistic. Funding is used to pump prime initiatives now operated by local voluntary sector/other organisations. The vast majority of projects set up in years 1 to 4 with one-off agreed payments are still on-going.

i) The balance in the New Homes Bonus reserve has increased by £2.1 million in the last year. It appears only limited further receipts are expected in the future – please clarify? Please confirm the total of New Homes Bonus that is expected to be received in the 2016-2017 year. Based on an increasing value this would appear to be in the order of £2.5-£3.5m this year. Please confirm what the anticipated level is and what the value of £104,000 in the projected capital reserves figure for 2016/17 represents and why this figure is then budgeted to reduce to zero thereafter.

Although we are awaiting details it appears unlikely that the proposed reductions in the DCLG budget over the next 4 years are compatible with the NHB scheme running throughout the lifetime of this Parliament.

We will receive an additional £3.0m of NHB funding during the current year. If the scheme continues in its present form then we will receive an additional (estimated) £3.6m in 2016/17.

The £104,000 of NHB funding in the Capital Programme is a one-off contribution to the Balanced Networks project in Redhill in 2015/16.

j) Please confirm how the council plans to spend the New Homes Bonus reserves over the MTFP period, how much is planned to be spent on what items, and how this is reflected in the Corporate Plan. How much, for example remains to be spent on the Redhill Balanced Network Project and how much on affordable housing, and when?

Detailed plans for all of this funding have yet to be drawn up but it anticipated that it will be applied to major infrastructure projects in the future.

Details of the use of NHB for the Redhill Balanced Network project were set out in the report to the Executive on 26 September 2013. The final element of that funding is explained in the answer to (i) above.

k) The New Homes Bonus figure quoted of £5.2m appears to be the balance at the end of the last financial year. Please confirm the anticipated figure at the start of the 2016/17 financial year, including additional receipts and any expenditure during the course of this year.

Please see the answer to (i) above.

l) Please provide a breakdown of how and when the Growth Points reserve will be spent over the plan period. What criteria are used to approve spending?

Please see the answer to 11 (b). The criteria for use (Government set) are based around regeneration, transport and infrastructure improvements.

m) Please provide a breakdown of how and when the High Street Innovation Reserve and Business Support Scheme reserve will be spent over the next year and what balances are expected at the end of 2016/17 year.

Both reserves are subject to bids being received which meet set criteria (again, set by the Government). The former is available for improvements to make High Streets more attractive and the latter is to compensate businesses for the impact of flooding.

n) Please provide details of how Growth Points, High Street Innovation and Business Support Scheme reserves are invested, and considered as part of the Treasury Management Strategy.

All monies that are not required for immediate use are invested in accordance with the Treasury Management Strategy. Individual reserves are not separately invested as this would be inefficient and not achieve the best returns available.

o) These reserves are all listed individually – please provide details as to how the risks that underpin them are managed, and why it makes sense for the business rates equalisation reserve, insurance reserve, new homes bonus and superannuation reserve to be separate from the general reserve. Please provide a copy/link to the Council's current strategic risk register and note when it is next due to be updated.

For the first part of the question, please see the answer to 4 (e).

The Strategic Risk register is updated quarterly and can be found in the e-Members area:

https://members.reigate-banstead.gov.uk/members/performi/riskmanagement/

p) Please provide an indication of how much the various reserve figures have changed over the past 3 years, and what these have been spent over the past year.

Recommended movements on reserves are reported to the Executive when their use is proposed - and are detailed every year in the Annual Financial Report. This is a public document and can be found on the website:

http://www.reigate-banstead.gov.uk/info/20210/finance/268/annual_financial_reports

q) Please provide details of any other earmarked reserves including any unspent section 106 monies, capital grants or contributions.

Statutory and best practice accounting regulations require us to keep section 106 monies, capital grants and contributions in a specific reserve – the Capital Grants Unapplied Reserve. The balance on this account at the start of the financial year was £9.5m and any use of these funds is shown in the Capital Programme.

Movements on this reserve are also reported in the Annual Financial Report (link in (p) above).

r) Please confirm how the retained business rates (NNDR) income so far compares to budget in the 2015/16 financial year and whether any change is proposed for 2016/17.

At the end of Quarter 2 NNDR income was fractionally below the budgeted level – by 0.75% or £380,000. This is largely due to more rate payers opting to pay over 12 months (rather than the "traditional" 10) than was anticipated and there is no shortfall forecast by the end of the financial year.

Other than profiling improvements there is no change proposed for 2016/17.

s) Proposed Income Equalisation Reserve - How is anticipated this will be used and what control is there over its use?

As we become more dependent on income to balance our budget it seems reasonable to set up a specific reserve to guard against income volatility. Should we fall significantly short against income budgets in any year this reserve could be used to cover the shortfall. It would be topped-up to a maximum level of £1m in years where surplus income was generated.

As with all reserves, Executive approval is required before it can be applied.

Section 5 Salary Budget and HR implications

a) The salary increase assumption in next year's budget (2016/17) is 1.5%, compared to 2% in the current year 2015/16. Has an overall 2% increase been awarded in the current year? How do salaries now compare with other employers?

A 2% pay award for the current year was approved by the Executive at the meeting on 29 January 2015.

The Pay Policy Statement reported to the full Council meeting on 12 February 2015 identifies the benchmarking activity which is undertaken to ensure that we are able to recruit and retain appropriately experienced and qualified staff and that we remain competitive and an employer of choice within Surrey

b) How much of the salary increment assumption of £140k been used in 2015/16?

The salary increment assumption for 2015/16 proved to be an over-estimate as the actual cost of increments was around £90,000. This varies year on year depending on performance and position on the salary scale.

c) Have any bonus payments been made to officers in the last year, and is there any budget for these payments? Are members involved in their approval?

Bonus payments are made to officers in recognition of exceptional performance or for performing enhanced duties in the absence of a more senior officer (ie "acting-up"). No extra budget is set aside for these payments. In line with the Constitution (Scheme of Delegation) these must be approved by the Head of Paid Service, and Member approval must be sought when bonuses are requested for Senior or Statutory Officers.

Details of bonus payments are published in the Annual Financial Report (link in section 4(p) above)

d) Please indicate which specific posts are to be eliminated or added in the net 6.7 FTE's reductions (show both gross and net). Which are currently vacant? What range of financial estimates does the council have for the cost of redundancies or compromise agreements, including pension fund strain? What is the balance on existing provisions for these costs? Is any cost included in next year's budget?

The posts counting toward the savings for the 2016/17 budget will not cause redundancies as they are currently, or are soon to become, vacant. Therefore, their removal will not create any financial strain on the Council.

The 2016/17 budget includes £100,000 for the cost of redundancies, as does the current year's budget.

e) Please confirm the total number of vacant posts within the council and the number of posts that are occupied on a temporary or contract basis, or are "frozen". Please separately identify which posts in the council are currently being occupied by staff on the Young Workers Scheme.

There are currently 30 vacancies with 12 being recruited to and 2 frozen. 16 posts are being occupied by temporary staff and these include 2 young workers.

f) Have there been any early retirements on efficiency grounds in the current year? How have the redundancy, compromise and pension costs been met?

There have been 2 early retirements made on efficiency grounds in 2015/16. The costs of these redundancies (£67,000) have been charged against the £100,000 budget as set out in (d) above.

g) The staff numbers have been presented alongside the salary budget from 2009/10 to 2016/17. Please confirm how many of the staff numbers listed as FTE are permanent, how many on temporary or contract basis, and how many represented by the young workers scheme. Please also indicate how the number of vacant posts has changed over this period.

Fixed-term / temporary contracts are used in the Council where there is a short term need for employment, such as a time-bound project, or in anticipation of a service restructure, or linked to a training contract or apprenticeship scheme. The Council currently employs 20 individuals on fixed term contracts, working a combination of full time and part time hours, which makes up 17.9FTE. In addition, 2 young workers are also on fixed term contracts.

The number of vacant posts over the period referred to has varied from 49 to 14.

Section 6 Service Plans and Savings Proposals

a) Please provide a line-by-line explanation of how the budget savings are intended to be made in each area.

All of the proposed saving have been discussed and agreed with the relevant Executive Member. Specific queries should be addressed to the relevant Portfolio Holder.

b) What service reductions are included in the 2016/17 budget plan? Please provide an indication of the service areas that are predicted to receive changes (increases or reductions in posts) as a result of the proposed budget.

Essentially, none. Some of these changes are just following what has happened in reality (eg increasing garden waste subscriptions, additional sources of property rental income, underspent stationery budget).

Others reflect different ways of achieving the same end result (eg channel shift, team reorganisations, change from courier service to mail).

Staffing changes are indicated in the savings and growth descriptions. It would not be appropriate to provide more specific detail until affected staff had been formally consulted.

c) Please comment in this regard on the impact on residents of the following savings initiatives:

(i) channel shift to the web agenda (are residents actually moving to self-serve and calling the Town Hall less frequently?)

Since launching the transactional task-focussed website in June, we have seen an average 11% shift from telephone calls to self-service on the web across the basket of our top tasks. For example requests for a replacement/additional bin are now 68% online, which is a 30% reduction in telephone calls. From March this year, we diverted all face to face contact from remote Helpdesks to the Town Hall helpdesk. We have not experienced a significant increase in visits to the Town Hall as a result of ceasing the remote Helpdesk Service.

(ii) right sizing expense and grants budgets

This consists of:

- A reduction in the benefits subsidy claim audit fee (£10,000) - payable to KPMG - reflects the reduction in testing carried out as a result of automation and other process improvements.
- A reduction in fees payable to Govtech (£3,000) for scanning/claim processing. This is a result of our move to electronic claim forms.
- Cancellations of subscriptions to CIPFA and the Southern Counties Forum (£4,000) because they are no longer required.
- The licence for the fraud management system ended in 2015, and a new, less expensive system will be implemented generating savings (£3,000).
- The removal of the discretionary Council Tax reductions fund from the revenue budget as this is now financed directly from the Collection Fund (£20,000).

None of these changes have any impact on residents.

(iii) voluntary sector funding reductions (please can you confirm the impact of the budget on the level of support to the voluntary sector in the next year)

There will be no impact to residents from Voluntary Sector funding reductions. Appropriate funding reductions will only be made to those organisations capable of sustaining the reduction without impacting on the services they provide. This is based on the financial information they are required to supply as part of their application.

(iv) taxi voucher scheme cost reductions (which are presumably after taking into account the reduction in the Community Transport Bus Service)?

Yes, the budget saving is linked to the transition from the Community Transport Bus Service to the Taxi Voucher Scheme. Residents will actually receive a greater benefit as the taxi vouchers are free to the end-user. Residents pay to use dial-a-ride.

(v) parks and countryside reductions

The Parks and Countryside reductions will not have an adverse impact on residents. The majority of the savings offered have been delivered early in 2015/16 with no significant impact noted.

(vi) Clinical waste collection (budget was reduced by £20k 2014/15; £40k in 2015/16 as well as £10k in 2016/17).

An extensive reorganisation of collections has seen ‘offensive waste’, previously collected as ‘clinical waste’, moved into the residual waste stream. Hence the reduction in the clinical waste budget.

[NB 'Clinical' is waste that should be collected and treated as hazardous eg blood products, infectious dressings. 'Offensive' is waste that can be disposed of in the residual stream eg incontinence pads, stomas]

d) Please provide an analysis of the main items included in the income budget of £14.6m. The assumption of a 1% increase linked to inflation seems modest – could some charges be increased further without a loss in total revenue? Offsetting this, how confident are we that the increases in car park revenue and the Harlequin can be realised – how much is fee increase and how much volume?

For the most significant components of the income budget please see the attached document.

The 1% assumption reflects the facts that we have no control over some fees (eg planning) and other fees have a high degree of price elasticity (eg if we increase commercial waste fees beyond others in the market then our income will reduce).

Current trends indicate that our assumptions on car park and Harlequin income are robust. The former is largely fee based and the latter is a mixture of fee and volume increases.

e) Please provide details of how the Harlequin ticket levy is anticipated to impact on ticket sales, what the current average occupancy for the Harlequin theatre is now, and if any additional loyalty scheme is considered to increase ticket sales. Please confirm whether similar schemes exist in competing nearby theatres (e.g. Hawth, Whitgift, Dorking Halls).

The ticket levy will not impact on ticket sales. The levy is included within the advertised ticket price and the cost is picked up by the agent/promoter for that particular event and not the customer. Current average occupancy levels for live shows in 2015/16 is 64%. Year on year sales continue to grow.

There is currently no cost to the customer to join the Harlequin loyalty scheme. Dorking Halls charge (£28 per year), Crawley Hawth charge (£10 per year) and the Epsom Playhouse charge (£19 per year). Croydon Fairfield Halls do not offer a loyalty scheme.

f) Are there any increases to the Additional Monetary Amounts required to fund the pension fund deficit in 2016/17, over and above the amounts to be paid for 2015/16?

The budget for Additional Monetary Amounts (AMA) was set so that it would not need to increase again before the next triennial valuation of the Pension Fund in

2016. Subsequently no increase is required for 2016/17 (though it is likely that a further increase will be required in 2017/18).

g) In the current year there was some step back from the increase in allotment fees which were originally proposed. Please discuss the £10k revenue increase from the “alignment of allotment charging structure”. What does this mean? Is the increase credible and realistic?

This proposal relates to the cancellation of the OAP discount figure – deferred from last year’s budget considerations. The additional income from the change would be in the region of a £10k increase taking into consideration that some people might elect to surrender their plot.

h) What is the “highways income or staff saving” in Parks & Countryside? Is it anticipated that there will be a reduction in the frequency of the cutting of grass verges?

This saving does not relate to the standard of service delivered – rather it acknowledges that as part of our agency agreement with SCC we received an uplift in payment for our services 2015/16 and had anticipated that this would continue beyond when the current arrangement comes to an end in March 2016.

Negotiations for the new service have commenced and we do not expect there to be a reduction in service delivery.

i) Garden Waste**.** This is scheduled for two increases this year – July and April 2016. Please confirm why the second increase and whether this is justified in terms of ensuring cost recovery from this service. Is additional increase planned in the coming year? Please provide an indication as to the additional cost increase added in the last year for Garden Waste and whether the £38k savings is a reflection of these savings or a further £2 increase.

Garden waste membership was increased by £5 (from £45 to £50) in August 2015 and will increase by a further £2 (from £50 to £52) in April 2016.

In August 2015 we had 19,300 members. Since that date our membership has risen to 19,600, an increase of 300 members.

The £38k saving reflects the increase of £2 planned for April 2016.

Further price increases of £5 are planned for 2017/18 and 2018/19. In 2018/19 the cost of garden waste membership will be £62 per annum (less than £1.20 per week).

j) Please provide details of what the service changes are that will achieve the anticipated £31k/year savings to the Banstead Day Centre, Horley Community Centre and Woodhatch Community Centre items. Please confirm whether the number of discounted meals available at the community centres will be affected by the proposed budget savings?

The award of the contract to Staywell (formally Age Concern Kingston upon Thames) to operate all three community centres will in fact enhance service provision and also deliver the reported savings. All existing services – including the discounted meals service - are being retained.

k) The budget lists, 'cease direct mail neighbour notifications' but it was announced at the Executive meeting that this budget saving item has been withdrawn. Please indicate what was intended and what is proposed instead.

Background
The statutory requirement for the publicity of planning applications is set out in Part 3 of the Town and Country Planning (Development Management Procedure) (England) Order 2015. For most types of planning applications, this requires publicity as follows:

(a) by site display in at least one place on or near the land to which the application relates for not less than 21 days; or

(b) by serving the notice on any adjoining owner or occupier.

In common with most other Local Planning Authorities, Reigate & Banstead has historically adopted a local practice of (b) choosing to notify adjoining owners by post, as well as displaying a site notice where the ownership of adjoining land is uncertain.

Current Issues
Although neighbour notification by post is still an effective way of informing adjoining property owners of a planning application, it is costly in printing, postage and administration, estimated to be circa £15,000 per annum.
The current practice is also not without its faults. Many of the complaints received by the Planning Department relate to the fact that residents were not notified about a planning application, because they do not live adjacent to an application site. A recent case, Sutton and East Surrey Water's application for a lagoon, is one such example. In that case 79 properties were notified of the application by post, at considerable expense, and still dozens of complaints have been received from those remote from the site that they were not notified.

Next Steps
There are now considered to be more cost-effective ways of getting in touch with residents, in line with the Council's self-serve approach that were not around historically when the current procedure was introduced. There are also increasing numbers of Councils choosing to cease postal notifications, such as the London Borough of Croydon, and it is felt that the change would not necessarily result in any increase in the number of complaints received.

The Executive has decided not to support this saving this financial year therefore our processes will remain in their current form.

It is recommended that further consideration be given to the role of postal notifications for next year relative to the advertisement of all planning applications by the display of site notice(s), supplemented by residents opting-in for email notification of all planning applications within an area as defined by them, on the Council's website - alongside an appropriate communication campaign should any changes be promoted.

l) Please confirm level of the increase in parking charges that underpin the budget savings proposals, together with any increases in taxi license/MOT or allotment fees.

The level of increase in parking charges varies across the different car parks depending on duration of stay. The tariff increase will seek to better manage demand within our car parks. These will be published in late November in line with the legislative requirements, with the intention to introduce the new tariff in February 2016.

There are no proposals for taxi licencing or MOT income and allotment fees are detailed in section (g) above.

m) Car Parking. Total saving is £190k. Will this mean that our car parking activities will be profitable and if so by how much?

No. The income from car parks covers the costs of providing and maintaining the car park facilities and undertaking enforcement activities.

Section 7 Growth Proposals

a) Family Support Programme – Does the extra £30k revenue exactly match the grant funding lost from SCC? Will the balance of funding of £59k be utilised in the plan period? It is understood that this service is provided to the whole of East Surrey out of Reigate – how are reimbursements from other boroughs and districts handled? What "reward grants" from government are expected? Please provide details of the current levels of revenue funding and reimbursement (and from/to whom) that is provided for this programme, and how this is anticipated to change over the coming year.

   Reigate & Banstead Borough Council, Tandridge District Council and Mole Valley District Council work together to deliver a Family Support Programme in the South East of the county on behalf of Surrey County Council, and RBBC employs officers on behalf of Tandridge and Mole Valley.

   The three Councils agreed a Memorandum of Understanding at the end of 2013 which sets out that annual costs are split amongst the three Councils on a proportionate basis (which is 4:2:2 as we have the largest number of families supported), and that SCC would reimburse the three Councils the annual costs of the officers, with only those elements of annual costs not covered by funding from SCC to be split between the three Councils themselves. In turn, SCC is reimbursed by the Government on a 'Payment by Results' basis.

   The programme is proving successful in turning around the lives of families in our area, and the target for the number of families to be supported this year is 126 families in the South East team.

   For the current year, the cost of providing Phase 1 of the South East Family Support Programme has been met by the County Council via Government Payment by Results funding.

   For 2016/17, SCC has altered the way that it intends to allocate funding on a county-wide basis for Phase 2 and consequently the South East team is now due to receive almost £55,000 less than anticipated. We had expected to receive £368,278 under the existing formula but under the new distribution formula, which is based on the number of families each county area has committed to work with, we now expect to receive £313,301.

   The total amount that SCC will distribute is almost £1.4m, and it is fair to say that the two larger teams in the county, the South East and the North East teams, have lost out under the new formula as they employ team managers and more administrative staff who do not carry caseloads or who have small caseloads, whereas the smaller Council teams have gained as they have proportionately less staff with small / no caseloads.

The growth bid for £30,000 does not match the grant funding lost by the South East team as the liability is shared between the three Councils but it does represent the share we have agreed. The balance of funding represents the amount the Council is required to hold in case of staff redundancies, which is currently borne by RBBC, but which the other Councils have agreed to share to enable some of this to be used to continue to employ staff already in post required to support families already in the programme and reduce the amount required by way of a growth bid.

b) The Community Centre contract growth for half a year (£25k) seems to be offset by savings of £31k (£11+13+7) in the contracts for Banstead, Horley and Woodhatch. Could this be explained? Have the savings from the procurement exercise included in the 2014/15 budget been realised in practice?

The award of this contract will deliver savings to the council of £150k over the life of the contract (5 + 2 Years). Growth is required in year one of the contract in order to ensure service delivery is not impacted and to allow the contractor to take on existing commitments relating to lease and hire agreements for equipment and services.

c) JET – are growth proposals required to support the continuation of the JET programme through to 2020?

No growth proposals are anticipated at this time.

d) Do the recently approved capital projects for ICT and the Earlswood depot also have revenue implications which need to be factored into growth proposals?

There are no implications for the 2016/17 revenue budget arising from either of these projects. Any budget implications for 2017/18 and beyond – savings or growth – will be considered in the usual way as part of the service and financial planning process.

e) In view of the severity of the savings proposals, how can the funding for the Reigate Half Marathon of £10k be justified? Surely there are clubs, organisations or sponsors willing to meet this funding of such an event for a small minority of the community?

The half-marathon funding is directly linked to the development of the event in 2016 for our younger residents aged 5 to 17. The event organisers and RBBC officers will be engaging with schools on an innovative project to encourage as many school children as possible to run a half marathon, in increments, over a 3 month period leading up to the event. The final 1.2 miles will be completed on the day of the main event.

This funding is also linked to a profit-share element with the event organisers. So it is possible, based on the financial outturn, that this funding may not be required and that we receive income from the event.

Section 8 Bed & Breakfast (and Welfare Changes)

a) The forecast for B&B for 2015/16 is understood to be £506k (budget £158k + projected overspend £348k). Allowing for one-offs (£51k late invoices plus £30k West Mount delay and say £10k removals/storage), this would give a base line of about £415k in B&B costs. This appears to cater for 25 households for 2015/16, factoring out the West Mount delay. On this basis, the budget for 2016/17 of £479k for 25 households appears to be generous, and may include some element of contingency in either costs or numbers of families. Is this correct?

The current net forecast for 2015/16 is £569,000 (rather than £506,000), which has been revised to reflect lower actual income received so far this year, on which management action is being taken to improve the net budget at year end. The only one-offs are the £51,000 for late invoices and the £30,000 for West Mount delays, which leaves a baseline of £488,000 (rather than £415,000), which is well aligned with the 2016/17 budget proposal of £479,000.

The budget of £479,000 is realistic based on the costs and number of families we have experienced this year but is certainly not generous. Changes in Government policy will bring greater pressures in 2016/17.

b) My notes from last year's budget review show we were housing about 40 households in 2014/15 in B&B, pre Mount View, and we anticipated this going down to 21 once Mount View was in operation. As we were spending about £330k on these households (£282k forecast for 2014/15, plus £51k late invoices), it would appear that the cost per household has increased significantly? Is this correct? (I do note that the Q1 financial report mentions the budget was based on 9 households, which differs from my notes.)

Last year, 2014/15, we were accommodating between 21 - 50 households per night in B&B accommodation. Post West Mount, in 2015/16, the number of households accommodated was between 26 - 30 households per night for the first half of the year, rather than the anticipated 21 households, which is largely a reflection of the increasing financial pressures on households. Actual spend for 2014/15 was £512,000 (including the £51,000 late invoices).

Household numbers in B&B can fluctuate a great deal night by night, as can the nightly charge (which typically ranges between £45 and £120 per night per household depending on family size), which makes accurate budgeting and forecasting difficult. It is true to say that costs have risen since 2014/15.

c) In the coming year there are further pressures being introduced from central government, which could increase the financial pressures of those living locally, and risk increasing the number made homeless. With this in mind, please can you indicate what the impact of an average of 30 as opposed to 25 households on average being in B&B accommodation over the course of the year would be on the council budget?

The net annual cost of an average of 30 households per night in B&B would be £575,000, rather than the annual cost of £479,000 shown for an average of 25 households per night in the Briefing Note.

This is calculated as follows:

Gross annual cost of 30 households per night @ £70	£767,000
25% rent recovery	£192,000
Net annual cost	£575,000

This means that a growth bid of £310,000 (rather than the £214,000 proposed) would need to be made, meaning that additional budget of £96,000 would need to be found.

d) Please can you confirm if there are any plans for additional plans for invest to save in expanding temporary accommodation provision for 2016-17, how many additional units are planned to come onstream and when, and whether these additional units are already factored into the B&B assumption of 25 households on average for 2016/17, or not?

Using available affordable housing section 106 contributions, there are some plans to invest in a small number of additional units during 2016-17. This is likely to be around 6 units.

However, the plans are dependent on the availability of suitably priced units in a highly competitive housing market. We expect the continuing availability of affordable housing section 106 contributions to be affected by changes in Government policy, such as the introduction of the Community Infrastructure Levy, which does not include an element for affordable housing, and the ability to take contributions from small sites.

These units are not factored into the B&B assumptions because we may decide not to buy additional properties, and this is because the provision of temporary accommodation alone is not an answer to keeping down B&B costs. This is a much more complex issue. For example, the shortage of permanent accommodation causes households to remain in temporary accommodation longer than we or they would like, and doing more to prevent households from becoming homeless in the first place would reduce the need for temporary accommodation.

e) The papers indicate added pressure from benefits changes and a service review to improve the responsiveness of the service to prevent homelessness. It also mentions the need to fund this work (paragraph 38 etc), but no funding seems to be included in the growth proposals?

The service review within Housing is ongoing but is likely to result in doing things differently rather than just spending more money. The impact of future welfare changes on budgets cannot yet be quantified but will be reflected in future service and financial planning proposals.

f) Please provide numbers in temporary accommodation, over and above the numbers listed in Bed and Breakfast accommodation in the Budget Scrutiny Review Panel briefing sheet, and indicate the extent to which those in temporary accommodation attract budget pressures (e.g. in removals, furniture storage etc).

At the time of writing there are 116 households in temporary accommodation (excluding those in B&B).

We are spending £18 per week on storage for one applicant in temporary accommodation and other costs can arise when households in temporary accommodation come to move on and cannot afford to move their belongings.

As we have a statutory duty to safeguard applicants' belongings, the quickest, easiest and cheapest route is to pay for removal and storage when necessary.

Other storage costs are for those that are in B&B and some that have had negative homeless decisions but are unable to safeguard their belongings. We are reviewing our arrangements for recouping costs since it is sensible to encourage households to reduce the amount of possessions in storage, and we are also reviewing storage provision to reduce costs there too.

g) Please confirm what the expected impact of roll-out of any other welfare changes, including Universal Credit is, and how this is captured in the budget. Please can you confirm the planned measures associated with the introduction of the Universal Credit, extension of the Benefits Cap and other changes to welfare spending (supporting those who are not in social housing in particular) and how this will be coordinated with Raven Housing (and other RSLs) internally funded support provided for those accommodated in registered social housing.

The roll out of Universal Credit in 2016 will only impact a small number of households in 2016/17. The Council is working closely with the Department for Work and Pensions (DWP) to ensure that this roll out is successful, and we will be providing assistance to people who need help with digital access and personal budgeting support. This will be funded by the DWP.

The Council has set up a strategy group to address the Benefits Cap changes, expected to come into effect in the latter half of 2016/17. The group includes colleagues from both the Council and partners, including Raven Housing Trust.

These, and other welfare changes, have not required any changes to the budget for 2016/17 as any additional resourcing will be from the DWP. This will be reviewed during the year and new proposals will be brought forward as necessary in the 2017/18 service and financial planning process.

h) Please confirm the number of households that each of these government changes is expected to affect, and whether any change in the number of households made homeless is anticipated as a result.

It is not yet possible to assess the exact numbers of households that will be affected. However, the DWP have estimated that Universal Credit will be claimed by 348 claimants in the Borough and that 5% of these may require additional support with digital access and/or budgeting.

Work is underway with partners including Raven to identify households that are likely to be affected by the new Benefits Cap thresholds, although we understand that further exemptions will apply and these have yet to be announced.

There are also a number of other changes to state benefits and Tax Credits which will affect and reduce household income. There is a risk that some households will fall into arrears with their rent as a result of one or more of these changes, but we will be managing the changes, notifying households at the earliest opportunity and providing the necessary support.

i) Please confirm whether any of these items are planned for in the revenue budget, or to what extent it is anticipated that the new Equalisation Fund will be drawn on for this purpose.

The impact of future welfare changes on budgets cannot yet be quantified but will be reflected in future service and financial planning proposals. Any unforeseen in-year impacts may require the use of the Equalisation Reserve but - again – the extent of this is not known at this time.

j) Paragraph 12 of the Executive report discusses a partnership agreement with the DWP. What resources are required to support this agreement and will the DWP provide funding? Paragraph 13 discusses council support to find employment and additional administration of Discretionary Housing Payment – what resources are required to support this and is government grant available? Will the Council contribute towards the Discretionary Housing Payment?

The partnership agreement will be around proving digital support and personal budgeting support to a small number of households who either request it or are referred to us by the DWP.

The DWP will be providing funding for this and for any additional resources required. The Council will use existing resources to signpost people for employment support, and will work closely with partners including the DWP and Raven who will be able to provide this support.

The DWP contributes a grant towards Discretionary Housing Payments – in 2015/16 this is £136,684. Historically the Council has managed the DWP allocation well, and on the occasions it has exceeded the allocation is has been by less than £10,000.

Section 9 Recycling

a) Recycling Income - The two growth proposals (£337k) are greater than this year's variance of £200k. Could this be explained?

The growth bid for DMR reflects an anticipated £300k predicted overspend and under recovery of income associated with the processing of this recycling stream.

A £37k growth bid is included to reflect the planned reduction in food waste subsidy payments received from Surrey County Council.

b) The briefing note refers to the total of £2,074,077 as annual income less expenditure. Please confirm what the overall income/expenditure for recycling is for the Borough including internal costs.

Expenditure Budget	£3,644,500
Income Budget	£3,455,400
Net Budget	£189,100
Expenditure Forecast	£3,986,158
Income Forecast	£3,503,841
Net Forecast	£482,316
Expenditure Variance	£341,658
Income Variance	£48,441
Net Variance	£293,216

c) In comparison with last year, when paper prices were reported to have fluctuated between £111pt and £40pt, and were £55pt when the budget was set, the current price of £52pt seems quite stable. What factors would cause a change in the coming year?

The trade in waste paper is an international market. Any of the factors that affect world trade have the possibility of causing changes in the price of paper.

Our assessment of market conditions in the UK is that prices have stabilised since the closure of Aylesford paper mill.

Our single stream of recycled paper (paper collected as a separate commodity) places us in a better position than those collecting paper in a mixed stream (paper collected in the same bin as glass, plastics and cans).

d) For mixed recyclates the situation has deteriorated significantly. Last year, prices varied from £5pt profit and £20pt gate fee. The gate fee is now £76pt. Is this the lowest it has got? Is the fee still trending downwards? What factors would cause a change in the coming year?

The trade in mixed recyclates is also an international market. Any of the factors that affect world trade have the possibility of causing changes in price.

During the summer of 2015 gate fees were as high as £85 per tonne.

By tendering our recyclates in conjunction with Guildford Borough Council better prices are likely to be achieved.

However, the marketplace is very challenging. Oil prices are low, making it cheaper to produce new plastic from raw material. Demand from China for recycling feedstock has slowed dramatically, a reflection of the significant downturn in the Chinese economy.

e) Please provide details of the revenue and capital investments planned in the area of waste and recycling with an intention to increase recycling rates to/beyond the 70% target that we are now committed to as partially adopting the new Surrey Waste Plan.

The 70% recycling target adopted by all members of the Surrey Waste Partnership is high. This will require all members of the partnership to work together to increase yield. It is therefore for the SWP to plan its investment in vehicles, infrastructure, emerging technology and innovation, ICT, communications, education and research.

RBBC has an ongoing revenue commitment to ensure that our collections remain efficient and to capture new recycling streams whilst our capital budget allows for the replacement and upgrade of our vehicles and equipment.

f) Impact of Roll out of Recycling to Flats. The capital budget sets out that the waste blueprint funding will be fully spent in this financial year. Please confirm that this means that all of the flats in the borough will have the new service by March 2016, or if not a) what the anticipated balance will be and b) how the roll-out to these additional households (including cost of additional bins) will be financed.

Around 35% of flats across all five zones will be on the new service by 31 March 2016.

Some flats will not receive the new service at the present time as they do not have the ability to store additional bins or they require alterations to existing bin stores.

Other sites are unsuitable because bins are likely to be contaminated.

Capital expenditure will be sufficient to ensure that flats with the ability to receive the new service will be provided with the necessary bins and receptacles.

g) Please confirm what anticipated increase in recycling is anticipated as a result of the completed extension of the new recycling service to all households (based on Monday collection's experience) and how this will impact upon a) the overall % of materials recycled, b) the cost of this collection, c) levels of contamination of the different recycling waste streams and d) the revenue from materials collected.

   a) It is anticipated that the rollout of kerbside recycling to flats will see a 4% increase in material sent for recycling.

   b) The cost of collection is unchanged as the total tonnage of material collected remains constant. Recycling is diverted from the residual waste stream into the recycled stream.

   c) Levels of contamination have increased although this is not solely attributable to collections from flats. The new MRF Code of Conduct, introduced in 2014, has seen an increase in contamination and 'non target material' reported by processors. Contamination remains below 10% (up from around 5% in 2013).

   d) Revenue is as reported in the previously circulated briefing note.

h) The briefing note quotes figures for paper, DMR, food, garden waste and textile recycling rates. The growth proposals for 2016/17 note that all these assumptions remain valid except for those for DMR. Please confirm how the additional £300k for DMR for 2016/17 is estimated.

   A growth bid of £300k assumes that the gate fee for processing DMR and the cost of haulage will remain around £89 per tonne (£76 gate fee & £13 haulage).

i) Please confirm how each of these recyclate gate fees has changed for the council for the last 4 years (since the introduction of the waste blueprint) so a judgement can be made as to whether the assumption made is good, based on past changes in gate fees for the different recyclates.

   Paper was traded in 2012 at £110 per tonne. It is presently trading at £52 per tonne.

   DMR was generating income of £20 per tonne income in 2012. It is presently costing £76 per tonne to process.

These figures do not take account of the recycling credit of £56 per tonne paid by SCC as the Waste Disposal Authority.

j) Please confirm how the levels of contamination have changed for the paper and DMR recycling collection since the introduction of the new service, and how much the current contamination level impacts upon the gate fee paid (and haulage, if the impact is that higher contamination rates requires recycling to be sent further distances).

Please see the answer to (h) above.

k) Recycling Credits/SCC Level of Support. Ongoing discussions into potential changes in the extent of funding that Surrey County Council funds recycling (such as through recycling credits) was mentioned at the Executive Meeting on 12 November 2016. Please provide an indication of whether this is considered at all in the current budget?

No consideration has been made in the current budget for a change in the amount of recycling credit received from Surrey County Council.

Any change in the credit would result from an agreement reached at Surrey Waste Partnership and would then be factored into future budgets. No changes are likely before 2017/18 and any future agreement should see Waste Collection Authorities ‘no worse off’ financially than at present (Environmental Protection Act 1990 s52).

Section 10 Property

a) The savings proposals include £371k from income generation on property. Please analyse the various projects and indicate which schemes are already implemented and therefore we are confident of the income and which are dependent on projects in progress or lettings yet to be executed?

- Income from Newman House: this is now let.
- Income from South Annex: the first floor is let to ACC Aviation and the ground floor is under offer to Surrey Choices.
- Income from Park Farm Depot: we are about to exchange contracts for part of the site, the remainder is under offer.
- Saving from security contract: this is being achieved this year.
- Redstone Cemetery Lodge: this is now let.
- Letting of Cottage: this is under offer.
- Banstead Day Centre: this is under offer.
- Community Centre Contract: this is due to start in February 2016.

The Marketfield Way proposal is part of the larger regeneration scheme. The interest is expected to be acquired during the first quarter of 2016/17 and the saving reflects this part-year income.

b) Is the income from subletting to Surrey Choices factored in?

Yes – please see (a) above.

c) Can additional income be realised from rent reviews scheduled in the next year?

There are no significant rent reviews scheduled for 2016/17.

Section 11 Capital Programme

a) Planned capital receipts for 2014/15 and 2015/16 are set at about £15m. Does this all relate to Merland Rise Recreation Ground? Is this now certain and realistic?

The planned capital receipts for 2015/16 and 2016/17 shown in Annex 4 largely relate to the land at Merland Rise. These are both realistic and contractual obligations. In addition, the payment to us planned for 2015/16 has been received. Further information is available in the answer to (b) below.

b) Please provide a breakdown of the funding sources and amounts of Planned Capital Receipts, Section 106 funding receipts and Capital Grants and Contributions summarised in the Capital Resources Summary in Annex 4 (similar to the schedule provided last year).

Please see the attached document.

c) Are any posts (internal or under contract) funded as part of the capital programme? In the past we do seem to have capitalised expenditure in Engineering Services?

No. Although it is possible to fund posts from capital under specific (and exceptional) circumstances there are none currently funded in this way. Only those costs that can be capitalised in accordance with the requirements of accounting standards are included - and these are identified within specific work plans. From time to timer some of the work of the Engineering Team can be charged to specific projects but this is treated as income/cost reduction and is not relied on as a direct source of funding for any specific posts.

d) Please provide details of the strategy for the capital expenditure on the Day Centres Programme to reduce from £50k/year this year to zero by 2020/2021.

The strategy is that the repairs in the future would be picked up by the revenue budget underpinned by the increased income we are expecting from the commercial project work we are currently undertaking.

e) Please confirm what the items referred to as Surrey County Council, Raven Housing Trust, Sports Lottery and Other Grants for 2015/16 specifically relate to and why none of these, or any other funding is planned to be received in 2016/17.

For details of the individual items referred to please see the document identified in the answer to (b) above. The reason they do not continue after 2016/17 is that they are agreed contributions to specific projects and are not recurring funding.

f) Please confirm why there is an annual contribution of £500,000 from revenue funding to capital funding and when this was initiated?

Contributions to help support the capital programme have been a feature of the revenue budget since 2012/13 (Budget Setting Report to the Executive Meeting on 26 January 2012). Previously this has not been separately identified in the Capital Programme but used to directly defray costs.

g) Please confirm the reason for the anticipated increased spending on allotments in 2018/19 and public conveniences in the 2017/18 year in the capital budget.

Allotment spend in 2018/19 of £20,000 is to allow for the replacement of stand pipes and associated mains.

Public conveniences spend in 2017/2018 of £10,000 is to allow replacement of fixtures and fittings

h) Council offices programme - please can you confirm this is the estimated expenditure on upgrading the accommodation in the depot, or if not what this is for, and where the Earlswood depot improvements are reflected in the capital programme.

Executive approval for the Earlswood Project was given at the 12 November 2015 Executive meeting. The figures were set out in that report and will be incorporated in the capital programme in the future. The budget allocated in the Council offices programme is to cover more routine, small projects in all offices.

i) Please confirm how the ICT investment programme impacts the capital budget, and what subsequent impacts on the revenue budget are estimated? Please provide a copy of the full Foresight Consulting ICT Review report.

The Executive report for the ICT Investment Programme seeks a one-off capital investment of £986,000 to upgrade our core ICT infrastructure during 2016.

It is anticipated that the base capital spend per annum from 17/18 will be circa £100,000, with an additional desktop refresh every three years (total spend of around £225,000 in 2019/20) and a core infrastructure refresh every five years (total spend of around £300,000 in 2021/22).

There is no impact on revenue for the 16/17 budget. There may be growth for 2017/18 but this will be established as part of service and financial planning next year.

The full Foresight Consulting ICT Review report contains information about individual members of staff. Please see the Executive report for the ICT Improvement Programme (Executive Meeting 12 November 2015) for a summary of the findings and recommendations

j) Strategic Property Expenditure. Please provide details of what the amount for the Development of Land South of Horley refers to, what the £545k is budgeted to be spent on, which budget it will be spent from, and when the sign-off for this expenditure is anticipated to take place.

This relates to the anticipated expenditure for the work in stages 1 and 2 of this project. These costs were detailed in the report on this project that was approved by the Executive in October. In summary the budget is for:

- The initial viability assessments - comprising market research, planning and development appraisals.
- The development of a site master plan and an outline Planning Application.
- The continued updating of the development appraisals.
- The continued liaison with potential tenants.
- The preparation of a detailed-cost master plan.

Section 12 Other

a) Please can you confirm that this budget panel is scrutinising the revenue budget and capital budgets, but not the draft 3 year business plans noted in the 12 November 2015 Executive Report, for each of the council's service areas. Please can you confirm when the O&S is scheduled to ask advance questions and then scrutinise these, and how this fits within the overall budget review process.

The draft business plans are prepared in order to provide a service context for the budget proposals. The plans are developed in consultation with the relevant Executive Portfolio Holder, but are not reported to the Overview & Scrutiny Committee or Executive for approval. The overall service priorities are set out within the 5 Year Plan, which was approved by the Council in December 2014.

b) Please confirm the financial implications of the new schedule for the Development Management Plan.

There are no new significant financial implications resulting from the new schedule for the Development Management Plan – rather a re-timetabling of planned expenditure is required.

Corporate Plan Delivery Fund 2016 -17

Service/Description	£000	£000
Democratic Services		
Electoral Trainee	25.9	
Places and Planning		
Regeneration Project Manager	49.7	
Regeneration Project Manager	37.2	
Regeneration Project Manager	37.3	
Senior Regeneration Project Officer	55.4	
Economic Prosperity action plan	37.5	
Finance		
Procurement Officer (part funding)	16.5	
Property and Facilities		
Facilities Manager (0.5 FTE)	24.5	
Asset Manager	44.4	
Senior Building Surveyor	63.9	
Human Resources		
Royal Alexandra & Albert School scholarships	9.2	
Total		**401.5**

Main Income Budgets

Description	**£000**
Recycling-Paper	1,161
Investment Property Income	1,053
Garden Waste	1,033
Commercial Waste Collections	847
Harlequin Theatre	793
Development Management	787
Cash Investments - Tradition	513
Building Control	433
Land Charges	393
Bancroft Road Car Park	308
On Street Parking - RBBC	305
Private Hire Vehicles	295
Domestic Mixed Recycling	286
Leisure Centres	205
Marketfield Car Park	181
Gloucester Road Car Park	181
Redstone Cemetery	180
Recycling - Food Waste	177
Horley Central Car Park	172
Victoria Road Car Park	164
Clarendon Road Car Park	163
Bell Street Car Park	143
Upper West Street Car Park	141
High Street Banstead Car Park	134
Recycling-Textiles	111
Licensing	104
On Street parking - Tandridge	102

Appendix 1
Question 11 b)

Projected Capital Programme 2015/16 to 2020/21: Financing

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CAPITAL RESOURCES: SUMMARY						
Capital Reserves as at 1st April						
Capital Receipts Reserve	20,925	14,957	12,812	11,141	9,483	8,528
Planned Capital Receipts:	**7,868**	**7,068**	-	-	-	-
RTB receipts	1,011					
Croudace	6,857	7,068				
S106 Funding	**2,418**	**195**	**46**	-	-	-
Tadworth brick planter	7					
Banstead Guide HQ	30					
Lee Street Bungalows	10					
Flat 6, 29 Wilton Court	155					
5 Hildenley Close	206					
3 Tulip House	213					
30 Thornton Place, Horley, RH6 8RZ	230					
7 Wandle House, North Street, Redhill, RH11EQ	180					
2 New Pond Farm Flat, Woodhatch Road, Reigate	8					
Memorial Park	48					
Balanced Network	446					
Thames Water site	120					
Merstham regeneration	200					
Banstead Leisure Centre	565	195				
Preston regeneration			46			
New Homes Bonus	**104**	-	-	-	-	-
Balanced Network	104					
Capital Grants & Contributions:						
Other - Growth Points	**210**	9	-	-	-	-
Preston regeneration	210	9				
Disabled Facilities Grant	472	472	472	472	472	472
Surrey County Council	**2,498**	**374**	-	-	-	-
Preston regeneration	599	337				
Merstham regeneration	1,328	37				
Banstead Leisure Centre	571					
Raven Housing Trust	**1,217**	**27**	-	-	-	-
Merstham regeneration	1,217	27				
Sports Lottery	**15**	-	-	-	-	-
Banstead Leisure Centre	15	-	-	-	-	-
Contributions from Revenue	**500**	**500**	**500**	**500**	**500**	**500**
Total Receipts During Year	**15,302**	**8,645**	**1,018**	**972**	**972**	**972**
Less: Capital Expenditure	21,270	10,790	2,689	2,630	1,927	2,801
Capital Reserves as at 31st March	14,957	12,812	11,141	9,483	8,528	6,699