



Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

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TO	Executive
DATE	Thursday, 7 November 2019
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance

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

SUBJECT:	SERVICE & FINANCIAL PLANNING 2020/21, INCLUDING COUNCIL TAX POLICY CHANGE
RECOMMENDATIONS: <ul style="list-style-type: none">(i) That the national and local service context at Annex 1 be noted.(ii) That the service proposals set out in this report which seek to respond to this context and deliver our corporate priorities, be endorsed.(iii) That the draft business plans for 2020/21 to 2024/25 be approved, and that Heads of Service be authorised to finalise the plans for their service areas, in consultation with the relevant Portfolio Holders.(iv) That the following be approved for consultation under the Council's budget and policy framework:<ul style="list-style-type: none">a) Medium Term Financial Plan Summary (Annex 2)b) Revenue Budget Savings and Additional Income proposals totalling £1.618 million (Annex 3)c) Revenue Budget Growth proposals totalling £3.742 million (Annex 3)	

d) Capital Investment Strategy Summary (Annex 4)

e) Capital Programme Growth proposals of £9.910 million (Annex 5)

- (v) That the Fees & Charges Policy at Annex 6 be approved.**
- (vi) That the Reserves Policy at Annex 7.2 be approved.**
- (vii) That the Medium Term Financial Plan forecast for 2021/22 onwards and proposed action to address the forecast revenue budget gap be noted.**
- (viii) That the Executive recommends to the Council the adoption of a new council tax policy to apply a 100% discount to care leavers up to the age of 25.**
- (ix) That the Executive recommends to the Council the adoption of updated thresholds in the Local Council Tax Reduction Scheme to reflect changes in allowances and premiums in line with Government benefits.**

REASONS FOR RECOMMENDATIONS:

Recommendations (i) to (vii): To ensure that the Council continues to plan and manage its resources well, deliver high standards of service and meet the aims and objectives of its current Five Year Plan and emerging Five Year Plan for 2020-2025.

Recommendation (viii) and (ix): To ensure that council tax policy supports delivery of Council objectives.

EXECUTIVE SUMMARY:

The primary objectives of the service and financial planning process are to ensure that the Council continues to be financially sustainable, and that we are able to effectively deliver our services and corporate priorities.

Reigate & Banstead Borough Council is recognised as being a leading local authority that delivers high quality services.

Our 2015-20 Five Year Plan period is drawing to a close, having driven our vision and successes across the borough in recent years. We are now transitioning to our new plan for 2020-25, which looks to build on and further develop the work we have been doing, as well as expanding our efforts to support environmental sustainability, affordable housing and the wellbeing of our residents.

As always, we are seeking to ensure that the Borough remains a great place to live and work, and to maintain and improve the quality of our services, all whilst securing savings and investment to remain financially sustainable.

The Council's Medium Term Financial Plan (MTFP) was updated and reported to Executive in July 2019. It covered:

- Objectives and priorities for the 2019/20 budget
- Context to budget-setting, including updates on the national economic forecast, local government funding, Corporate Plan priorities and specific factors to be taken into account when developing budget proposals for 2020/21
- Key budget information, including the 2018/19 budget outturn position, current year budgets and forecast new budget pressures and saving opportunities
- Updates on the capital programme and treasury management

- Information about the service and financial process and budget-setting timetables
- A summary of budget risks and sensitivities and how they will be managed.

The MTFP also included draft Reserves and Fees & Charges policies for development during the service & financial planning process. The final versions are presented for approval with this report.

The Council no longer receives Revenue Support Grant from Government and 2020/21 will potentially be the final year before a reduction in retained business rates of £2.2 million, resulting in significant financial pressures.

Nevertheless, the Council remains in a relatively strong position to respond, having planned for this decline. In recent years, we have established ring-fenced revenue reserves to respond to these challenges. However, use of reserves represents a short term tactic. We need to continue to work towards becoming a more commercial organisation and generating new sources of income to secure our long-term financial stability. Our 2020/21 budget proposals recognise that we need to continue to invest in our capacity and staff to achieve this.

The Council is working to develop its commercial approach to support future commercial and investment activity around our primary Corporate Plan objectives to work for the benefit of the borough and its residents. This will consider the degree and type of investment which might be supported and the scope within which this might take place. It is expected for a developed approach to be reported for consideration by Members alongside the finalised service and financial plans for 2020/21.

Overall, we expect to be able to manage our budget challenge in 2020/21 without compromising our financial sustainability (or ability to deliver high quality services). Any residual forecast budget shortfall will be funded from reserves, as detailed in this report.

The budget proposals detailed in this report are based on analysis of a range of data and evidence, and the result of extensive discussions over recent months between the Executive and Management Team. This report provides a condensed version of those discussions, describing the national and local context and the service and budget proposals which have been put forward in response.

The provisional budget proposals set out within this report include revenue budget savings and additional income proposals of £1.618m million, and revenue budget growth proposals of £3.742 million.

Work on Central Budgets and Revenue Reserves will continue and the outcome will be presented in the final budget proposals in January. At this stage it is anticipated that there will be a requirement to call on Reserves again this year to achieve a balanced budget while new sustainable sources of income are developed.

The report also presents initial Capital Programme budget growth proposals of £9.9 million. Further work is underway to prepare full Capital Programme proposals for 2020/21 to 2024/25 which will be detailed in the January budget report.

If the Executive accepts the budget recommendations in this report, further work will be undertaken over the coming months to test and refine the proposals, including consultation with the Overview & Scrutiny Committee's Budget Scrutiny Panel. This will ensure that the Council adopts a balanced budget for 2020/21 and is in the best position to prepare for

anticipated budget challenges in 2021 onwards.

The recommendation to introduce a 100% council tax discount for care leavers up to the age of 25 will contribute to a county-wide initiative, promoted by Surrey County Council.

The local Council Tax Reduction scheme will remain unchanged, other than to reflect changes in allowances and premiums in line with Government benefits.

Executive has authority to approve the recommendations (i) to (vii).

Recommendation (viii) is subject to approval by Full Council.

STATUTORY POWERS

1. The Local Government Act 1972 requires the Council to set the associated annual budget as part of proper financial management. This report is part of that process.
2. The Local Government Act 1992 requires councils to set a balanced budget and announce the Council Tax level by 11 March each year. Section 65 of the Act requires the Council to consult representatives of those subject to non-domestic rates in the Borough about its proposals for expenditure for each financial year.
3. The Chief Finance Officer has a key role to play in fulfilling the requirements of the statutory duty under the Local Government Act 2003 to keep the authority's finances under review during the year and take action if there is evidence that financial pressures will result in a budget overspend or if there is a shortfall in income.
4. Council Tax Reduction Scheme: Section 13A(2) of the Local Government Finance Act 1992 (as amended) requires billing authorities to make a reduction scheme for persons in financial need or classes of persons who the authorities considers – in general – to be in financial need. Section 13A(1)(c) of this Act gives billing authorities the power to reduce a liability to an extent that is seen fit.

SERVICE & FINANCIAL PLANNING

Service Context

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

Our Five Year Plan

6. Successful organisations require strong forward plans if they are to perform at the highest level. The Council has been completing delivery of its Five Year Plan for 2015-20, and is now transitioning to its new plan for 2020-25. These plans set out the organisation's vision, priorities, aims and objectives, and inform Council decisions at every level. The vision set out in our new draft five year plan is to be recognised by our residents, businesses and partners as a leading Council. This means:
 - a. Delivering quality services and support
 - b. Providing value for money
 - c. Making the borough a great place to live, work and visit

- d. Being proactive about tackling climate change and reducing our environmental impact
 - e. Being flexible and sustainable, responding to the needs and demands of our borough, residents, businesses; and
 - f. Operating as an increasingly commercial organisation
7. When finalised, the new Five Year Plan will seek to deliver against the vision, with priorities grouped around the three themes of People, Place and Organisation. These emerging new plan priorities have been taken into account in developing the 2020/21 service and financial planning proposals.

National And Regional Context

8. Legislation, policies from national government, and decisions made by partner organisations (e.g. Surrey County Council), will continue to have a significant effect on our residents, and therefore on the support and services that the Council provides. Annex 1 provides a summary of the international, national and sub-national context within which this Council will need to operate in 2020/21.
9. The overarching context remains one where there is increasing demand for Council services, whilst simultaneously experiencing a reduction in funding and resources. The Council is continuing to work to respond to this challenge by increasing efficiencies and generating income, but this context presents an increasing pressure of work to meet the needs of our residents.
10. Consultations and announcements over recent months have covered the following aspects of local government funding:

Spending Review 2020

11. The government would usually be expected to conduct a multi-year spending review every two to four years. However, there has not currently been such a review since 2015, and the review in 2019 covered only the financial year 2020/21. This set out departmental spending allocations for the year. These allocations included increases in spending on schools, social care and the NHS, but no additional funding for local authorities. Even for the departments receiving increases to their allocations, real per capita spending remains significantly below pre-2008 levels.
12. Given the ongoing political focus and uncertainty, it remains unclear when the next longer term spending review will take place. Some provisional spending totals were set out in the 2018 Autumn Budget for the years up to 2023/24. These provisional totals underpin the official fiscal forecasts and therefore provide an indication of what might be expected.

Chancellor's Budget 2019 and Provisional Settlement Announcement

13. At the time of preparing this report there was uncertainty whether the Chancellors' Budget statement would go ahead as planned on 6 November 2019. Delay of the annual Budget may also have implications for the timing of the Provisional Local Government Funding Settlement Announcement which is expected in December.

Fair Funding Review

14. The Government was scheduled to complete a Fair Funding Review of Local Government funding this year, with the outcomes intended to be introduced in 2020/21. The review was intended to set new funding baselines and confirm any transitional arrangements. However, following the delay in the longer term spending review, the Fair Funding Review has also been postponed.

15. Given the Government's current primary focus on Brexit, it is unclear when this will be completed. Before its introduction, we would expect there to be an opportunity to respond to consultations on indicative allocations.

Business Rates Growth: Reset and 'Alternative' System

16. The Government's stated aim is to balance risk and reward through a system of Resets, Safety Nets, Levies, Tier Splits and Pooling. It has also stated an intent to simplify the system by looking again at appeals, while addressing income volatility and introducing more simplification. As with other items listed, it remains uncertain when this work will be completed.

New Homes Bonus

17. There remains speculation that there will be further changes to the system, for example further changes to the methodology based on a reduced funding allocation and/or the allocation of higher amounts to fewer authorities (or lower amounts to many). Again, any changes may well be delayed by other legislative priorities.

Specific Grants

18. There is still an expectation that these will be rolled into the funding system when 75% business rates retention is introduced (expected as part of the longer term Spending Review post 2020/21).

Council Tax Reform

19. There is a possibility of increased freedoms (primarily for social care precepting authorities), but this also remains uncertain.

Partner Funding

20. Surrey County Council (SCC) continues to face severe financial constraints. This is already impacting a range of statutory and non-statutory services, from social care to highways and parking, to support for socially excluded groups and the voluntary sector. The County Council implemented £82 million of cuts in 2019/20 and has forecast a budget gap of £57 million in 2020/21 rising to £134 million by 2023/24. These included reductions in funding for the Adult Social Care service and the Children, Schools and Families service.
21. SCC service reductions will impact on residents in this borough, and make it more difficult for us to deliver on our own corporate priorities within the context of our already challenging financial position. In recent years much work has been undertaken to put this Council in the best place possible to respond to SCC funding cuts, and this work will need to continue. Financial constraints at the county level mean that this Council needs to continue to work closely with the County Council and other partners to ensure that residents continue to receive the services they need, delivered in an efficient and cost effective way.

Brexit

22. The continuing uncertainty around the planned exit of the UK from the European Union and the potential implications thereof also continues to be consideration for the Council. The Council will continue to work with the government, partners (including the Surrey Local Resilience Forum), and local businesses to understand whether there will be direct effects for the local area. The potential influence upon the wider national economy will also reflect upon the borough.

SERVICE PLANNING FOR 2019/20

23. Each service within the Council has reviewed its future direction in light of the wider context in which it operates, and its role in delivering our updated Five Year Plan

priorities. These plans set out the direction of Council services, including key changes and priorities.

24. The following paragraphs highlight areas where changes to the way in which the Council carries out its business are planned, or where substantive revenue savings, income or growth is proposed.
25. Waste and Recycling: The Government's intended revision of the national Waste & Resources Strategy has the potential to increase the demand upon the Council, whilst potentially also reducing available income. This may not lead to implications for the coming year, but presents a concern in the longer term. The Council is continuing to roll out expanded recycling provision to additional flats across the borough, which provides benefits to residents and the environment, but incurs an additional cost. Recyclate prices remain potentially volatile, particularly in the context of Brexit and wider trade uncertainty, and present the risk of a potential reduction in income.
26. Housing and Homelessness: The Council continues to make positive progress in working to prevent homelessness, which includes the now established and successful 11 household emergency accommodation property. Through the new Housing Delivery Strategy the Council will strive to increase the supply of accommodation that is affordable to local people in the borough. Whilst three years' worth of ring-fenced funding has been made available to the Council by Government to assist in managing the implications of the Homelessness Reduction Act, we await news of any further funding announcements.
27. Community Partnerships: The Borough's three community centres will be coming back into direct Council management in April 2020. Work is currently being undertaken to devise our future vision, which will determine long term operation and management arrangements. In the short term, actions are underway to ensure that the centres continue to operate with no reduction in quality or interruptions to services. Following the review of the Council's Voluntary and Community Sector (VCS) Support in 2019, work is underway to facilitate and enable more effective services to support our residents through both targeted financial and in kind support to VCS providers.
28. Property and Assets and other commercial activities: The Council's emerging Five Year Corporate Plan sets out our intention to use and invest in property assets to support the Council's financial sustainability and enable the continued delivery of services. In order to meet future service demand it is projected that significantly increased commercial income will be required and the Commercial Ventures Executive Sub Committee are working to develop a commercial strategy and explore potential investment opportunities.
29. Environmental Sustainability: In keeping with the motion on climate change considered by Council in February, and the Council's emerging Five Year Corporate Plan, the Council recognises that action is necessary to address environmental sustainability and climate change. The Council is therefore reviewing its existing sustainability and carbon management policies and working to produce an updated Environmental Sustainability Strategy.
30. Developing Strategies: As identified above, a number of Council strategies are currently being developed or updated, including the Housing Delivery Strategy and Environmental Sustainability Strategy. As such, the actions associated with these strategies are not yet fully costed at the time of writing. Estimates of the required spending have been made based on the best information currently available, but

these are subject to change prior to the final approval of service and financial planning arrangements for 2020/21.

FINANCIAL CONTEXT

31. The Council continues to manage its finances well. The Council has delivered significant service improvements and priority projects despite the removal of Government Revenue Support Grant in 2017/18. The revenue budget outturn position for services in 2018/19 was a £1.6 million underspend compared to the approved budget.

Government Funding

32. In 2021/22, the Council will see further significant decline in Government funding support as our retained business rates receipts are cut from £3.2 million to £2.5 million, a reduction of £0.700 million. In addition the 'Negative RSG Grant' of £1.5 million will end in 2021/22, resulting in a total funding reduction of £2.200 million.
33. The table below summarises how Government funding has changed for the Council in recent years and forecasts for 2020/21 onwards.

Table 1: Government Funding							
	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Revenue Support Grant	1.67	0.50	0.00	0.00	0.00	0.00	0.00
Retained Business Rates	2.16	2.18	2.22	2.29	3.10	3.20	2.50
'Negative RSG' Grant					1.50	1.50	0.00

CIPFA Financial Management (FM) Code

34. The CIPFA FM Code was introduced in October 2019 and will be applicable from 1 April 2020. Work will be undertaken as part of 2020/21 budget-setting to review compliance with the Principles and Standards in the Code and to identify any actions required to address any gaps identified. Further details are provided at Annex 2.

Medium Term Financial Planning

35. The Council has been planning for the loss of Government funding, with the objective to become financially self-sufficient going forward. In order to achieve self-sufficiency the Council needs to continue to find budget efficiencies whilst also generating new sustainable sources of additional income.
36. The Council's updated Medium Term Financial Plan (MTFP), summarised at Annex 3, was approved in July 2019 and sets out the financial direction of the Council over the medium term to ensure that the Council plans and manages its resources effectively. It sets out the priorities that will be taken into account when preparing the draft budget for 2020/21:

- To ensure resources are aligned with the emerging **Corporate Plan priorities**

- To maintain a **balanced budget** such that expenditure matches income from council tax, fees and charges, and government and other grants and to maintain that position
 - To set a rate for **council tax** which maximises income necessary to deliver our strategic objectives while ensuring that Government referendum limits are not exceeded. The percentage increase will be reviewed annually and be approved by Full Council
 - To **maximise other income** by setting fees and charges, where we have the discretion and need to do so, at a level to ensure at least full cost recovery, promptly raising all monies due and minimising the levels of arrears and debt write offs
 - To ensure a long term sustainable view is taken of our **investments** and that appropriate risk analyses are used when considering new investments
 - To consider and take advantage of **commercial opportunities** as they arise to deliver new income streams
 - To maintain an adequate and prudent level of **reserves** and regularly review their planned use and allocation to support delivery of our priorities.
37. Current MTFP forecasts indicate a budget gap of £2.1 million for service budgets in 2020/21 before taking into account savings opportunities in Central Budgets and additional income from council tax. The forecast budget gap increases to £4.3 million for 2021/22 onwards, the primary cause of the increases being anticipated Government funding reductions.
38. The final position and MTFP forecasts for 2020/21 will be detailed in the January budget report when the review of Central Budgets is complete and final council tax and capital growth plans are confirmed. It is anticipated that many of the measures that will be used to balance the budget for 2020/21 will be one-off cost reductions, including calling on reserves to address any residual budget gap.
39. Going forward, sustainable solutions that reduce costs or increase income on a permanent basis will have to be identified for 2021/22 onwards. These are likely to include:
- Pursuing commercial investments to generate new income streams – after taking into account the costs of associated borrowing
 - Considering options for asset sales to realise capital receipts and reduce or avoid new borrowing costs
 - Carrying out fees and charges benchmarking across all services
 - Planning for 2020/21 staff pay negotiations; and
 - Reviewing in-year budget monitoring forecasts to identify new opportunities for savings and efficiencies.

Commercial Strategy

40. The Commercial Ventures Executive Sub-Committee, supported by other Members, has been working to develop the Council's commercial agenda. This has included consideration of the scale and appropriate type of investments, the geographic area of any investment activities, and the opportunities for partnership working. These

questions were also considered by the Overview and Scrutiny Committee in July 2019, and the Committee provided feedback to the Sub-Committee. It is intended for a completed commercial approach to be reported for consideration by Members alongside the finalised service and financial plans for 2020/21.

41. While service efficiencies and council tax increases are important, their contribution to addressing the financial challenges faced by the Council is limited. It is therefore important that the Council also becomes an increasingly commercial organisation. This means generating new net income streams to support service delivery. This requires investment – and will have an element of commercial risk – but it will also enable the Council to develop and grow into a self-sustaining organisation. As set out above, this will be supported by the developing commercial approach and associated plans.
42. The latest Capital Investment Strategy was approved by Executive in September 2019 and sets out how the Council plans to invest to generate income. A summary of the Strategy is attached at Annex 4.

2019/20 Revenue Budget Summary

43. The table below summarises the Revenue Budget for 2019/20.

Table 2: BUDGET SUMMARY 2019/20	Budget 2019/20 £m
1. Net Cost of Services	12.078
2. Corporate Budgets	4.217
NET EXPENDITURE 2019/20	£16.295m
3. Net Contributions to/from Reserves:	(0.245)
4. Sources of Funding	(2.347)
5. Council Tax Requirement	(13.703)
NET SOURCES OF INCOME 2019/20	£16.295m

44. The Revenue Budget comprises five ‘building blocks’ as follows:

- **Net Cost of Services:** These are the direct costs incurred in delivering services through the three Directorates, net of specific income generated by them.
- **Corporate Budgets:** These are costs incurred and income received that are not service-specific, eg. Pension Fund deficit contributions and treasury management costs and income. Also included in this block is the Headroom Contingency budget.
- **Contributions to/from Reserves:** This relates to our use of Earmarked Revenue Reserves, which have been allocated to fund specific purposes. For

example the Corporate Plan Delivery Fund. The impact of the use of Reserves is a reduction in the total income demand on council taxpayers.

- **Sources of Funding:** These income budgets are general, non-service specific income sources. They include other grant funding from Central Government and our share of Non-Domestic Rate income. For 2019/20 it includes the impact (benefit) of the one-off elimination of 'Negative Revenue Support Grant' that was announced by the Government in December 2018.
- **Council Tax:** After the budgets requirement has been established for the other blocks then the amount required by their Council from council tax can be calculated; known as the 'Demand on the Collection Fund'.

Revenue Budget Outturn 2018/19

45. In February 2018 the Council set a net Revenue Budget for 2018/19 of £15.5 million. Transfers from the Corporate Plan Delivery Fund and other grants received during the year resulted in a net increase to £17.8 million.
46. Net expenditure for the year was £16.2 million for services, giving a favourable outturn position of £1.62 million (9% of the overall budget).

2020/21 Service Budget Proposals

47. Service budget proposals are summarised below:

Table 3: SERVICE BUDGET PROPOSALS	Approved Budget 2019/20 £m	Proposed Budget 2020/21 £m	Net Service Budget Increase / Decrease £m
ORGANISATION			
Organisational Development	0.63	0.83	0.20
Finance & Assets	1.75	1.78	0.02
Projects & Performance	1.74	1.86	0.12
Legal & Governance	(0.77)	(0.52)	0.25
IT	1.48	1.78	0.30
PLACE			
Planning	0.73	0.76	0.03
Economic Prosperity	0.28	0.40	0.12
Place Delivery	0.23	0.28	0.05
Neighbourhood Operations	2.86	3.11	0.25
PEOPLE			
Community Partnerships	1.26	1.58	0.32
Communications & Customer Contact	0.74	0.85	0.11
Wellbeing & Intervention	0.19	0.44	0.25
Revenues, Benefits & Fraud	0.97	1.07	0.10
TOTAL	12.08	14.20	2.12

48. Service savings, additional income and growth proposals are detailed at Annex 3 and result in the following net budget movements:

Table 4 : SERVICE BUDGET PROPOSALS FOR 2020/21		
	£m	£m
Budget Movements:		
Net Increase in Staff Costs	1.28	
Net Increase in Other Running Costs	0.68	
Net Reduction in Income	0.16	
NET SERVICE BUDGET GROWTH		2.12

Service Fees & Charges

49. Income from fees and charges contributes £15.3 million to support service delivery. A Policy on Fees & Charges was developed during the review of the Medium Term Financial Plan in July 2019 and is attached at Annex 6 for approval.

Commercial Income

50. The Medium Term Financial Plan includes the objective of:

- To consider and take advantage of **commercial opportunities** as they arise to deliver new income streams.

51. Delivery of this objective will require the allocation of additional funds in the Capital Programme to purchase assets that will generate new income streams as well as supporting delivery of corporate objectives. These purchases will be financed through prudential borrowing therefore provision will have to be made in the revenue budget for the costs of repaying that debt. It will also be necessary to ensure that borrowing for this purpose complies with MHCLG and CIPFA guidance, specifically 'borrowing in advance of need'.

Example Investment Returns

52. Following the significant increase in PWLB borrowing costs, that was announced in October 2019, to generate £2.1 million additional net income to the revenue budget (for example) would require borrowing and re-investment in income-generating assets of circa £106.1 million [based on prevailing PWLB rates at the time of preparing this report].

Central Budget Proposals 2020/21

53. Central budgets are summarised in the table below. They comprise those budget items that are corporate in nature and are not associated with delivery of specific services.

Table 5 : CENTRAL BUDGETS	Budget 2019/20 £m
Budget Contingencies	1.434
New Posts Budget	0.250
Insurance	0.452

Table 5 : CENTRAL BUDGETS	Budget 2019/20 £m
External Audit Fees	0.050
Treasury Management	(0.371)
Employer Pension Contribution	2.338
Apprenticeship Levy	0.064
TOTAL	4.217

54. Work is in progress to review Central Budgets for inclusion in the final budget proposals in January 2020. Factors to be taken into account will include:

Budget Contingencies	<ul style="list-style-type: none"> Continued requirement for central budgets for severance and redundancy costs Continued requirement for provision in the revenue budget for contributions to the capital programme Continued requirement for the 'Headroom Contingency' budget which was originally established during budget setting in 2012/13 to '<i>mitigate the reduction in Central Government revenue funding</i>'.
Pay Costs Inflation	<ul style="list-style-type: none"> Building capacity in the budget for forecast contractual pay increases and an annual cost of living increase that is currently being negotiated.
New Posts Budget	<ul style="list-style-type: none"> Continued requirement for this budget (created in 2019/20) in addition to the New Posts Reserve
Insurance	<ul style="list-style-type: none"> Update for agreed premium and service fee increases
External Audit Fees	<ul style="list-style-type: none"> Update for any notified contract fee increases (as notified by Public Sector Audit Appointments)
Treasury Management	<ul style="list-style-type: none"> Update to reflect costs of borrowing for approved Capital programme for 2020/21 onwards and interest on forecast balances Details to be confirmed in the Treasury Management Strategy for 2020/21
Employer Pension Contribution	<ul style="list-style-type: none"> Update to reflect the outcome of the triennial revaluation of the Pension Fund in 2019
Apprenticeship Levy	<ul style="list-style-type: none"> Update when final staff numbers and pay costs for 2020 are confirmed

Revenue Budget Funding 2020/21

55. The sources of funding for the revenue budget are set out in the table below.

Table 6: REVENUE BUDGET FUNDING	Approved Budget 2019/20 £m
Contributions To/From Reserves	0.245

Table 6: REVENUE BUDGET FUNDING	Approved Budget 2019/20 £m
Other Funding	2.347
Council Tax	13.703
TOTAL	16.295

56. Work is in progress to update Funding forecasts for inclusion in the final budget proposals in January 2020. Factors to be taken into account will include:

- | | |
|--------------------------------|--|
| Contributions To/From Reserves | <ul style="list-style-type: none"> Reserves are being reviewed for the January budget report. Details below. |
| Other Funding | <ul style="list-style-type: none"> Includes retained Business Rates, Negative RSG Grant, Fees and Charges and Other Grants. |
| Council Tax | <ul style="list-style-type: none"> Options for the 2020/21 council tax increase are being considered. Summarised below. |

Council Tax 2020/21

57. The referendum cap is expected to be confirmed with the Provisional Local Government Funding Settlement Announcement in December. It is anticipated to be the higher of 1.99% or £5 for district councils. Initial indications are that £5 is marginally to this Council's advantage as it yields a slightly higher level of income.

58. Every 1% additional council tax income generates £0.137 million income for this Council.

59. A Council Tax increase of 1.99% would increase a Band D charge from £227.46 to £231.99, an increase of 9 pence per week.

60. Final recommendations will be included in the January Budget and Council Tax reports.

Council Tax Policy

61. In line with the other Surrey districts, for 2020/21 onwards it is recommended that a new local discount be introduced, comprising a 100% discount to care leavers up to the age of 25. This is forecast to reduce total council tax yields by £35k. The costs will be shared with the main precepting bodies.

62. Proposals to change council charges on empty homes were approved by Executive in April 2019 and will come into effect on 1 April 2020:

- Homes that have been empty and substantially unfurnished for more than two years and less than five years will be charged a Council Tax long term empty premium equivalent to 100% of the Council Tax in addition to their current Council Tax.
- Homes that have been empty and substantially unfurnished for five years and more will be charged a Council Tax long term empty premium equivalent to 200% of the Council Tax.

63. The local Council Tax Reduction scheme will remain unchanged, other than to reflect increases in allowances and premiums in line with national benefits.

Retained Business Rates Income

64. As explained above, in 2021/22, the Council will see further significant decline in Government funding support as retained business rates receipts are cut from £3.200 million to £2.500 million, a reduction of £0.700 million. In addition the 'Negative RSG Grant' of £1.500 million will end in 2021/22, resulting in a total funding reduction of £2.200 million. It is not yet clear how these reductions will be implemented but are assuming this will be clearer when the outcome of the Fair Funding Review and Business Rates Reset are announced during 2020.
65. A small number of Surrey authorities are once again planning to establish a voluntary Business Rates Pool for 2020/21 with Surrey County Council using the same methodology as in previous years. This Pool is once again not open to Reigate & Banstead due to the relative size of our business Rates Levy change.

Use of Reserves

66. The Council holds Reserves to provide protection against financial risks. Our current level of reserves provides a relatively secure financial base compared to many authorities; it is important to ensure an appropriate balance between securing the financial position of the Council and investing in delivery of services.
67. Reserves can be held for four reasons:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
 - A contingency to cushion the impact of unexpected events or emergencies.
 - A means of building up funds to meet known or predicted liabilities.
 - A means of setting aside sums for future identified uses and / or investments.
68. There is an opportunity cost of holding reserves in terms of restricting capacity to invest in current service delivery but this is offset by the additional flexibility that reserves provide when manage budget risks and adverse variations.
69. Current Revenue Reserves are summarised below and detailed at Annex 7.1.

Table 7 : RESERVES SUMMARY	Balance at 31 March 2019 £m
General Fund Balance	12.547
Other Earmarked Reserves	23.042
TOTAL	35.589

70. A Policy on the use of Reserves was developed during the review of the Medium Term Financial Plan in July 2019. The Policy is now attached at Annex 7.2 for approval.
71. The legal requirement for the Council to agree a balanced budget means that Council may be required to draw on its reserves to address any shortfall between forecast expenditure and forecast income.
72. The Council has set a minimum level of unallocated General Fund reserves of 15% of the net revenue budget, which equates to £2.444 million (for 19/20). The unallocated balance on the General Fund at 31 March 2019 of £12.547 million, is

currently well in excess of this. The ongoing requirement to retain these surplus resources in the General Fund reserve is being reviewed.

73. Other areas that are being considered as part of the current review of Reserves include:

Table 8 : RESERVES REVIEW OPTIONS	
Reserve	Area for Consideration
General Fund Reserve	<ul style="list-style-type: none"> Consider reducing balance to the minimum requirement of £2.444 million
Government Funding Risks and Business Rate Reduction Reserves	<ul style="list-style-type: none"> Consider merging these reserves as they are both intended for use to impacts of reductions in Government Funding
Feasibility Studies (Commercial Ventures) Reserve	<ul style="list-style-type: none"> Increase reserve to ensure sufficient funding is available to prepare business cases for new initiatives designed to deliver additional sources of funding
New Posts Reserve and Corporate Plan Delivery Fund Reserves	<ul style="list-style-type: none"> Increase allocation of funds to these Reserves to reflect anticipated demand for resources to start to deliver new initiatives during 2020/21
Feasibility studies (Transport Initiatives) Reserves	<ul style="list-style-type: none"> There are proposals contribute to creation of a new Reserve for councils in Surrey collectively to fund the development of infrastructure feasibility studies so that bids can be made for full project funding when bidding rounds become available. This fund will ensure there are dedicated resources to develop a robust pipeline of schemes. It is proposed that the fund will have a gearing ratio of 1:0.86. For every £1 which this Council invests in the fund we will receive £1.86 for scheme development due to investment from Surrey County Council and the LEP. The fund will develop projects that cross boundaries both within and outside Surrey. Final proposals will be included in the January Budget report
Economic Development Initiatives Reserve	<ul style="list-style-type: none"> Creation of new earmarked Reserve funded from the resources received as a result of participating in the 2018/19 Surrey Business Rates Pool. To date £0.200 million has been allocated to raise awareness amongst local people of quality local employment opportunities The remaining balance (c£0.300 million) will held in the reserve to fund ongoing initiatives in this area.
Commercial Risks & Volatility Reserve	<ul style="list-style-type: none"> Creation of new Reserve to address risks of failure to meet income targets from new commercial ventures while remedial action is taken.
Environmental Sustainability	<ul style="list-style-type: none"> Creation of new Reserve for initiatives that will support delivery of the Council's Environmental Sustainability Strategy that is currently in development

Table 8 : RESERVES REVIEW OPTIONS	
Reserve	Area for Consideration
Insurance Reserve	<ul style="list-style-type: none"> Review of the ongoing requirement for this Reserve.
New Homes Bonus Reserve	<ul style="list-style-type: none"> Consider options for investment of these resources to support delivery of corporate priorities and/or secure financial sustainability over the medium term.

74. The outcome of the review and recommendations for any changes will be included in the January budget report.

CAPITAL PROGRAMME 2020/21 ONWARDS

75. A comprehensive review of the Programme is being undertaken as part of work on the Capital Investment Strategy that is summarised at Annex 4.

2019/29 to 2023/24 Approved Capital Programme

76. The Capital Programme that was approved in January 2019 is summarised below:

Table 9: APPROVED CAPITAL PROGRAMME	2019/20	2020/21	2021/22	2022/23	2023/24	
	Projected	Projected	Projected	Projected	Projected	TOTAL
	£m	£m	£m	£m	£m	£m
FINANCE & ORGANISATION:						
Strategic Property	0.050	0.050	0.076	0.076	0.076	0.328
IT Services	0.275	0.100	0.300	0.275	0.275	1.225
Organisational Development	0.030	0.030	0.030	0.030	0.030	0.150
PEOPLE SERVICES:						
Housing	1.495	1.115	1.115	1.115	1.115	5.955
Wellbeing & Intervention	0.145	0.145	0.145	0.145	0.145	0.725
Community Partnerships	0.025	0.025	0.025	0.025	0.025	0.125
PLACE SERVICES:						
Neighbourhood Operations	1.742	3.661	2.928	1.307	1.307	10.945
Place Delivery	17.165	24.984	23.983	15.100	0.0	81.232
CORPORATE:						
Anticipated investment in new capital schemes in 2019/20 onwards to support delivery of the Corporate Plan, Housing Strategy and Investment Strategy.	25.000	0.0	0.0	0.0	0.0	25.000
TOTAL CAPITAL EXPENDITURE	45.927	30.110	28.602	18.074	2.974	125.685

Capital Programme Growth 2020/21 onwards

77. Capital Programme growth proposals that have been developed as part of the service and financial process are detailed at Annex 5 and summarised below:

Table 10: CAPITAL PROGRAMME GROWTH PROPOSALS AT NOVEMBER 2019	2020/21	2021/22	2022/23	2023/24	2024/25	
	Projected	Projected	Projected	Projected	Projected	TOTAL
	£m	£m	£m	£m	£m	£m
ORGANISATION:						
Strategic Property	4.443	0.600	0.690	0.612	-	6.345
IT Services	0.125	0.125	0.100	0.110	0.050	0.510
Organisational Development	0.250	0.250	0.250	0.250	0.250	1.250
PEOPLE SERVICES:						
Wellbeing & Intervention	0.015	0.015	0.015	0.015	0.015	0.075
PLACE SERVICES:						
Place Delivery	0.100	0.530	-	-	-	0.630
Economic Prosperity	0.100	0.100	0.100	0.100	0.100	0.500
Neighbourhood Operations	0.400	0.050	0.050	0.050	0.050	0.600
TOTAL CAPITAL GROWTH	5.433	1.670	1.205	1.137	0.465	9.910

78. The reasons for these growth proposals include:

- Requirement to continue to invest in council-occupied buildings following condition surveys and fulfilment of landlord responsibilities for the Council's commercial properties
- Continued investment in ICT infrastructure and resilience
- Continued investment in facilities to support the development and adaptability of the Council's workforce to meet changing service needs
- Continued investment in facilities and infrastructure across the local community
- Continued investment in plant and equipment to support service delivery.

79. In addition a number of capital growth proposals are being developed, potentially for inclusion in the January Budget report:

Table 11: OTHER CAPITAL GROWTH PROPOSALS	
Service Area	Potential Capital Growth Proposal
ORGANISATION	
Strategic Property	<ul style="list-style-type: none"> • Investment in building maintenance for the Council's tenanted and commercial properties including leisure centres, pavilions and infrastructure assets – details to be

Table 11: OTHER CAPITAL GROWTH PROPOSALS	
Service Area	Potential Capital Growth Proposal
	confirmed following condition surveys that are being commissioned
IT Services	<ul style="list-style-type: none"> Investment in systems and equipment to support the ongoing IT Digital Strategy refresh and review, to address system replacement and upgrade requirements and extend the IT Strategy from a 3-year to a 5-year cycle to align with the Capital Programme life cycle.
Organisational Development	<ul style="list-style-type: none"> Confirmation of plans for continued investment in facilities to support the development and adaptability of the Council's workforce to meet changing service needs
Commercial Investment Strategy	<ul style="list-style-type: none"> Proposals to allocate further capital funding for future investment in new commercial assets and activities that deliver a sustainable net income stream to the revenue budget. Work is underway to develop the Commercial Strategy. It is expected for a developed approach to be reported for consideration by Members alongside the finalised service and financial plans for 2020/21. Options under consideration are currently focussed on allocation of funds for additional investment of +£25m, +£50m and +£75m over the medium term period. The implications of constraints on PWLB borrowing for purely commercial purposes will have to be taken into consideration.
PEOPLE SERVICES:	
Housing Schemes	<ul style="list-style-type: none"> Confirmation of the final budget requirement for delivery of the Cromwell Road, Pitwood Park and Lee Street developments following recent tendering of works. Confirmation of ongoing funding requirement for grants to Prevent Repossession
Housing Delivery Strategy	<ul style="list-style-type: none"> Confirmation of the Council's proposed funding contribution for delivery of Housing Delivery Strategy objectives. Options for investment of £30 million over the three years 2020/21 to 2022/23 are currently being explored.
Community Partnerships	<ul style="list-style-type: none"> Confirmation of the capital funding allocation that will be necessary to support Community Centres transformation – the investment requirement will be confirmed as part of the review that is currently underway Confirmation of the capital funding allocation requirement for ongoing CCTV investment
Wellbeing & Intervention	<ul style="list-style-type: none"> Confirmation of the capital funding allocation to support future development of facilities at the Harlequin theatre – details to be confirmed as part of business plan development for the facility.
PLACE SERVICES:	

Table 11: OTHER CAPITAL GROWTH PROPOSALS	
Service Area	Potential Capital Growth Proposal
Place Delivery	<ul style="list-style-type: none"> • Preston Regeneration – confirmation of ongoing capital investment requirements – funded through a CIL allocation as part of the Strategic Infrastructure Plan (SIP). • Marketfield Way development - confirmation of the final budget requirement for delivery of the scheme following the recent programme review
Environmental Sustainability Strategy	<ul style="list-style-type: none"> • Confirmation of capital investment requirements through work that is underway to develop the Strategy.
Neighbourhood Services	<ul style="list-style-type: none"> • Confirmation of ongoing requirement for capital expenditure on depots, vehicles & plant, air quality monitoring equipment, contaminated land investigations, flood prevention works, play areas, parks and countryside maintenance, car park works.

80. For some capital schemes there may be a requirement for further reports to Executive, when the outcome of tendering is known and costs are confirmed, where there is a significant cost variance compared to the original capital allocation.

Capital Programme Funding

81. Sources of funding for the 2019/20 Capital Programme are summarised below:

Table 12: CAPITAL FUNDING	
Capital Reserves	<ul style="list-style-type: none"> • Previously the Council benefitted from access to significant capital reserves following the sale of its housing stock. Over recent years these reserves have been utilised to invest in the capital programme. The remaining balance was less than £0.700 million at March 2019. • No significant new capital receipts are anticipated from asset sales in the near future
Capital Receipts	<ul style="list-style-type: none"> • Sale of capital assets results in a capital receipt that can be used to invest in new capital assets or to repay prudential borrowing
Capital Grants & Contributions	<ul style="list-style-type: none"> • Forecasts of the future grant funding allocation for Disabled Facilities works will be included in the January budget report
Prudential Borrowing	<ul style="list-style-type: none"> • The primary source of funding for the Capital Programme is now prudential borrowing from the Public Works Loans Board (PWLB). • Loans are managed through the approved Treasury Management Strategy and policies. • Interest on borrowing is paid to the PWLB and charged to the annual revenue budget along with the Minimum Revenue Provision that is necessary to set aside funds for repayment of the loan principal. These costs have to be taken into account when setting a balanced annual budget. • There are increasing restrictions on the type of capital expenditure that is eligible for prudential borrowing. Borrowing to fund investment solely for commercial gain is not permitted.

Capital Programme – Revenue Budget Implications

82. As explained above, the Council no longer has significant capital reserves, therefore, while a small number of schemes will be continued to be funded from capital grants and other contributions, the majority of the approved Capital Programme must be funded through prudential borrowing. The costs of repaying this borrowing fall on the revenue budget as treasury management costs in Central budgets.
83. Treasury management budgets will be updated to reflect the costs of borrowing for the approved Capital Programme for 2020/21 onwards net of interest on forecast balances. Details will be confirmed in the Treasury Management Strategy for 2020/21 that is reported to Executive and Full Council for approval in March/April each year.

BUDGET SETTING TIMETABLE

84. The timetable for approval of the 2020/21 budget is summarised below:

7 November 2019	Executive	Agree provisional service budget and Capital Programme proposals
21 November 2019	Overview and Scrutiny	Budget Scrutiny Panel review
16 January 2020	Executive	Budget Scrutiny Feedback
30 January 2020	Executive	Approve final Budget and Council Tax Proposals – including Central Budgets and final Capital Programme
13 February 2020	Full Council	Approve Final Budget and Council Tax Proposals

OPTIONS

85. Service & Financial Planning: the following options are available to the Executive:
- Approve the proposed budget and financial planning changes set out within the report, for consultation under the terms of the Constitution. This option is recommended for approval, to ensure that our service and financial plans are agreed in good time to adopt a balanced budget for 2020/21.
 - Only approve some of the proposed budget and financial planning changes set out within the report, for consultation under the terms of the Constitution. This option is not recommended, as it would undermine the service plans and would present a budget gap for 2020/21.
 - Reject the proposed budget and financial planning changes set out within the report, and request that further work be undertaken to develop new proposals for consultation under the terms of the Constitution. This option is not recommended as it would delay the budget consultation process, undermine service planning and leave the Council and risk of failing to adopt a balanced budget for 2020/21.
86. Council Care Leavers Discount: the following options are available to the Executive:
- To adopt the proposed discount of 100% for care leavers up to age 25.

- b) To reject the proposed discount of 100% for care leavers up to age 25.

LEGAL IMPLICATIONS

87. Service & financial planning: There are no direct legal implications arising from the recommendations in this report subject to the Council adopting a balanced budget for 2020/21 by 11 March 2020 to meet the requirements of the Local Government Finance Act 1992.
88. Council Tax Care Leavers Discount: there are no direct legal implications arising from the recommendations in this report.

FINANCIAL IMPLICATIONS

89. Service & financial planning: these are addressed throughout the report.
90. Council Tax Care Leavers Discount: the forecast reduction in income receipts is not significant and will be factored into Collection Fund estimates.

EQUALITIES IMPLICATIONS

91. An Equalities Impact Assessment of service planning proposals has been undertaken and is provided as a background paper to this report.
92. This is based on the best information available at the time of writing; however it is important to note that where individual changes, projects or policies are being developed, equalities impact assessments will need to be carried out by the responsible officer(s) and considered by the decision maker(s).
93. A large proportion of the growth sought is staff costs, loss of property income and increased operating costs. Some growth is sought to progress with service reviews, changes or expansion. The Equalities Impact Assessment concludes that a number of these have the potential to deliver positive benefits for those with protected characteristics, and these opportunities should be explored further as work on these specific projects continues.
94. It will however be important that equalities considerations are properly as this work is taken forward, for example:
- Proposals for channel shift could have a negative impact for those who find it difficult to access online services. This potential negative impact can be mitigated by ensuring that that assistance or alternative forms of contact are available.
 - In identifying a vision for the long term operation and maintenance of the Council's community centres and a new business plan for the Harlequin Theatre, it will be important that consultation is undertaken with user groups and those with protected characteristics, and that a detailed equalities impact assessment is carried out to ensure the needs of protected characteristic groups are properly considered.
 - Changes to the physical environment due to regeneration / construction works could impact on those with mobility difficulties or physical or other disabilities. This potential negative impact can be mitigated by applying sensitive construction

practices and clear communication in advance of and during construction activities.

95. Council Tax Care Leavers Discount: the proposal provides financial benefits to care leavers through a reduction in their household costs as they establish independent living arrangements.

COMMUNICATION IMPLICATIONS

96. Service & financial planning: The Council continues to offer value for money for Council residents – in 2019/20, the average household pays just £4.37 per week to the Borough Council in Council Tax, which pays for the wide range of services that the Council delivers, including household waste and recycling collections, street cleaning, greenspaces maintenance, leisure and community centres, and statutory and regulatory services such as licencing, environmental health and planning.
97. Central to Council's communications and engagement strategy is not only to promote the good work that the Council does and the great services it provides, but also to make sure that our annual service and financial planning process reflects what our residents and businesses need. The development of the new Five Year Corporate Plan has been supported by extensive consultation with residents and other partners to ensure that our priorities remain relevant up to 2025.
98. Council Tax Care Leavers Discount: information about the discount will be made available to eligible taxpayers and published on the Council's website. It will also be publicised through the County Council teams that support care leavers.

RISK MANAGEMENT CONSIDERATIONS

99. Service & financial planning: The service and financial plans contained within this report are aimed at minimising risks and ensuring that the Council continues to deliver great services whilst managing budgets and other resources well. The Medium Term Financial Plan and Capital Investment Strategy include analyses of forecast budget risks and the mitigating action that is planned.
100. The Council has strong risk management arrangements in place to ensure that any risks are identified and managed, with regular performance reports provided to the Overview & Scrutiny Committee and the Executive.
101. The risks relating to the long term financial sustainability of the Council remain on the strategic risk register, and as such controls and mitigating actions are regularly reviewed. Property investment, which is a key aspect of securing our long term financial sustainability and can be affected by wider macro-economic circumstances, is a strategic financial risk for which controls are in place and mitigating actions being implemented.
102. Other strategic risks, which the Council recognises need to be managed relate to partner organisation's decisions in relation to future funding and recycling credits.
103. Council Tax Care Leavers Discount: there are no significant financial risks associated with this proposal.

HUMAN RESOURCE IMPLICATIONS

104. Service & financial planning: delivery of significant savings in previous years resulted in staffing reductions and a substantial reduction in the salary budget. Continuing to make these kinds of efficiencies is no longer sustainable without impacting on the

quality of service delivery. Conversely, the Council will need to grow in the future if the Council is to succeed in our ambitious approach to becoming self-sufficient. The Council will need the capacity and skills to enable the organisation to diversify and to become more commercial, whilst also expanding our service provision as outlined in the earlier sections of this report.

105. The service and financial planning proposals for 2020/21 result in a net increase in FTE of 41.5. This includes the 15.0 posts that are transferring back to the Council's workforce following the decision to bring Community Centres back in-house.

Table 13 – Staff Establishment - FTE Movements 2019/20 to 2020/21		
STAFF ESTABLISHMENT 2019/20 (including fixed term posts)		487.5
Posts Funded Through CPDF - Approved During 2019/20:		
Project Manager ICT	1.0	
Technical Analyst ICT	1.0	
Open Space Development Manager	1.0	
Community Centres Transformation Manager	1.0	
HR Improvement and Efficiency Recruitment Post	1.0	
		5.0
UPDATED STAFF ESTABLISHMENT 2019/20		492.5
Base Budget Growth Proposals 2020/21 - Transfers In/Out		
Community Partnerships - Community Centres (Staywell)	15.0	
Neighbourhood Services - Car Parking	(2.5)	
		12.5
New Posts to be Created as part of 2020/21 Service & Financial Planning Growth		
Finance Apprentice	1.0	
Property Services Manager	1.0	
ICT Posts	3.0	
Waste and Recycling New Crew	3.0	
Fleet Training Officer and Apprentices	3.0	
Communications and Customer Contact	2.0	
Project and Business Assurance	1.0	
Economic Prosperity Officer	1.0	
Human Resources Posts	2.0	
Harlequin Casual Staff	6.0	
Wellbeing and Intervention Team Leader and Refugee Co-ordinator	2.0	
Environmental Health and Licencing Posts	4.0	
		29.0
Movement in Fixed Term Roles (funded through CPDF) in 2020/21		
Economic Prosperity	(1.0)	
Human Resources	1.0	
		0.0
STAFF ESTABLISHMENT 2020/21		534.0
NET INCREASE		41.5

106. The Council's final budget proposals and Medium Term Financial Plan forecasts will include an assumption for an annual cost of living pay award for staff. This award is subject to negotiations with staff representatives and will depend on a variety of factors, including economic conditions, inflation levels and staff recruitment and retention considerations.

CONSULTATION

107. Service & financial planning: Consultation will be carried out in line with the Council's budget and policy framework. This includes consideration by the Overview & Scrutiny Committee.

108. The Overview & Scrutiny Committee has established a Budget Scrutiny Panel to support this work. The Panel is scheduled to meet on 21 November. It is anticipated that the Panel's report will be considered by the Overview & Scrutiny Committee on 11 December. Any comments or recommendations will be reported to the Executive meeting on 16 January 2020.

109. Section 65 of the Local Government Finance Act 1992 requires the Council to consult representatives of those subject to non-domestic rates in the borough about its proposals for expenditure for each financial year. This will be done through activities coordinated by the Economic Prosperity Team, including business networking events and using the Council's business e-newsletter.

POLICY FRAMEWORK

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

111. Council Tax Care Leaver Discount: The proposal supports the Council's priority of providing targeted and proactive support for our vulnerable residents.

Background Papers:

Empty Homes Policy, report to Executive on 18 April 2019

Medium Term Financial Plan Update, report to Executive on 18 July 2019

Capital Investment Strategy 2019/20, report to Executive on 19 September 2019

List of Annexes:

- 1 Policy Context
- 2 Medium Term Financial Plan Summary
- 3 Revenue Budget Savings, Additional Income and Growth Proposals
- 4 Capital Investment Strategy Summary
- 5 Capital Programme Growth Proposals
- 6 Fees & Charges Policy
- 7.1 Revenue Reserves at 31 March 2019
- 7.2 Reserves Policy