

# **STRATEGY & RESOURCES COMMITTEE 2021/22 DRAFT BUDGET and MEDIUM-TERM FINANCIAL STRATEGY (MTFS) TO 2023/24**

## **Strategy & Resources Committee – 21<sup>st</sup> January 2021**

Report of: Jackie King – Acting Chief Executive  
Anna D’Alessandro – Chief Finance Officer (Section 151)  
Martin Field – Finance Business Partner

Purpose: For decision  
Publication status: Unrestricted

Wards affected: All

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### **Executive summary:**

The purpose of this report is to present the Draft Budget for 2021/22 and Medium-Term Financial Strategy (MTFS) to 2023/24 for this Committee, including the annual review of charges, capital programme and revenue budget.

Members are requested to approve the recommendations below subject to further consideration by the Strategy & Resources Committee on the 2<sup>nd</sup> February 2021 as part of the Council-wide budget setting process (to be ratified by Full Council on 11<sup>th</sup> February 2021).

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**This report supports the Council’s priority of:** Building a better Council / Creating the homes, infrastructure and environment we need / Supporting economic recovery in Tandrige / Becoming a greener, more sustainable District.

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### **Recommendation to Committee:**

Subject to further consideration by the Strategy & Resources Committee on the 2<sup>nd</sup> February 2021 as part of the Council wide budget setting process (to be ratified by Full Council on 11<sup>th</sup> February 2021) that the following be agreed:

- A) The Strategy & Resources Committee's Draft Revenue Budget for 2021/22 be in the sum of £4,316,274, as shown in **Appendix B**
- B) In accordance with the Committee's delegated powers, the fees and charges for 2021/22, as detailed in **Appendix C**.
- C) The Strategy & Resources Committee's Draft Capital Programme for 2021/22 be in the sum of £5,366,600 for 2021/22, as shown in **Appendix D**.

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## **Reason for recommendation:**

Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. It is a legal obligation that the Council sets a balanced budget for 2021/22. If the Council is unable to set a balanced budget, the Council will either have to draw down on its reserves which are already below the level considered prudent or it will have to make tough choices about its services.

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## **1. Introduction and background**

- 1.1. All local authorities continue to experience constraints on spending, alongside increasing demand for some of their services. To balance the books local authorities must continue to review what they do and how they do it. Identified in this report are the savings that are proposed to support closing the Council's budget gap.
- 1.2. The COVID-19 pandemic has created and will continue to create significant uncertainty into the following financial year and possibly into the medium-term. The Council has been integral in the response to support residents and will continue to do all it can and as long as it is required. This is not however without its risks and financial challenges.
- 1.3. During October each service Committee undertook a budget workshop to review the budget growth pressures identified by the service and the savings and efficiency proposals put forward. These workshops laid the groundwork for the work ongoing as part of the budget process.
- 1.4. The Council maintains and updates a Medium-Term Financial Strategy (MTFS) looking at the next three financial years. The MTFS must be organic, because each year the Council will experience changes in funding, new uncontrollable pressures that were previously not known, and therefore the MTFS must adapt and change to meet these challenges.

- 1.5. The Draft version of the MTFS was taken to Strategy & Resources Committee on 16<sup>th</sup> December 2020 detailing a budget gap for 2021/22 of c£0.2m Further to the provisional settlement received on 17<sup>th</sup> December, we have now set a balanced budget. This is reflected in the attached report but will also be shown in the Final Budget Report for Strategy and Resources Committee and Full Council in February.
- 1.6. On 25<sup>th</sup> November 2020, the Council received the one-year Spending Review (SR) which set the context for Whitehall's funding to the Local Government Sector as a whole. Although it seemed quite positive with a 4.5% increase in core spending power, this alone was not sufficient to bridge the gap that was still prevalent at the time of the Member Workshops in October.
- 1.7. Since then considerable work has been undertaken to deliver a balanced budget. Since the Draft budget was presented, the provisional settlement has been received which has enabled us to set a balanced budget and the Council's and Committee's gap has been closed. A Final Budget will be taken to Strategy & Resources Committee on 2<sup>nd</sup> February 2021 for approval by Full Council on 11<sup>th</sup> February.
- 1.8. This report will now discuss the budget principles, Departmental Strategy and the various elements of the budget.

## **2. Budget Principles**

- 2.1. The principles are:
  - A balanced revenue budget with no planned use rather build of General Fund Reserves;
  - Creation of a contingency to provide further medium-term financial resilience;
  - Regular review of Reserves to ensure appropriate coverage for emerging risks;
  - Budget envelopes set for each Service to deliver services within available resources;
  - Evidence based savings plans which are owned, tracked, monitored and reported monthly; and
  - Managers accountable for their budgets.

- 2.2. The principles more specifically relating to setting sustainable medium-term budgets are:
- Developing three-year plans, integrated capital investment across the Council;
  - Continuing to adopt a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Departmental budget envelopes;
  - Envelopes validated annually based on realistic assumptions;
  - Evidence bases used to underpin all savings proposals;
  - Assurance that all savings, pressures and growth are managed within budget envelopes to deliver accountability for implementation;
  - Pay and contract inflation allocated to Service budgets to be managed within budget envelopes; and
  - A corporate contingency held centrally.
- 2.3. The budget has been built assuming a 0.5% increase in salaries and a 2% increase in contract costs.

### **3. Strategy and Resources Departmental Strategy**

- 3.1 CIL/Land Charges – Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new developments in their area. The money should be used to support development priorities by funding infrastructure that the Council, local community and neighbourhoods want. The Council via the Strategy & Resources Committee agrees a strategic funding statement establishing how money is collected and also considers proposals to fund worked up projects. CIL is money that can only be spent on infrastructure and many projects are funded or delivered jointly with other agencies including for example the County Council. On a day to day basis the management of the CIL process is the responsibility of the Chief Planning Officer.
- 3.2 Council Tax - Council tax is a tax on domestic properties collected by the Council and is used to pay for local services such as recycling and refuse collections, schools, roads and street lighting. For the year 2020/21 approximately £79m is payable and although we collect council tax we keep only 11% with the remainder going to Central Government, Surrey County Council, Surrey Police and Parish Councils.
- 3.3 Non-Domestic Rates - Non-Domestic Rates, or business rates, collected by the Council are the way those who occupy non-domestic property contribute towards the cost of local services. For 2020/21 the Council would normally have sought to have collected approximately £21m in business rates, however, due to the government announcing additional reliefs due to the COVID-19 pandemic, the authority currently has approximately £3m to collect. This year the business rates team is administering the distribution of approximately £23m of government grants to local businesses.

- 3.4 Asset Management - The Council's Asset Management strategy is to maximise income from the council's non-residential property assets to support services. The operational assets include the Council Offices and the Warren Lane Council depot. Future occupation patterns for offices are being explored following the impact of COVID-19. The strategy also programmes continued improvement in the condition and statutory compliance of all Council assets.
- 3.5 The Council has a small property investment portfolio which is balanced between properties acquired for regeneration advantages and protection of commercial accommodation. Investment properties have been acquired through the wholly owned property investment company, Gryllus Property Ltd. Current market uncertainty has led to a slowdown of activity in property acquisitions.
- 3.6 One property acquired for preservation of commercial space and regeneration potential in Caterham town centre, Quadrant House is currently a catalyst for improvement in Caterham and has been awarded two Local Enterprise Partnership grants. The initial stage of this has seen the opening of a new business hub which seeks to encourage innovation and small business development.
- 3.7 Finance - The ongoing financial resilience of the Council is of utmost priority to ensure that we can continue to delivery essential services to the residents of Tandridge. In that light the CFO has created a Finance Improvement Programme (FIP). The Finance function undertakes a mixture of value-added functions through the recently constituted Business Partner model and transactional activity which is necessary to keep the finances under control. The capacity within the team is very constrained due to implementation of the Customer First model some two years ago as such we are exploring ways of creating resilience within the team. We have endeavoured to take a stronger grip on our internal controls through regular dialogue with Internal Audit and reporting on the progress of internal audits to the Audit & Scrutiny Committee. Internal Audit now have a direct reporting line to the CFO.
- 3.8 Legal Services - Comprehensive Legal Services are provided across all of the Council's business groups. Broadly, three main functions can be identified which cover the scope of the services provided:
1. Proactive Legal Services - advising Councillors, individually if necessary and in Committee, on the legality of actions and decisions taken by the Council, monitoring actions and decisions taken by officers and protecting the interests of the Council.
  2. Client-focused Legal Services, covering the majority of the department's work, largely for 'client' departments within the Council, in areas such as:
    - o Defending decisions taken by clients when they are challenged. E.g. planning and licensing appeals, dealing with complaints to the ombudsman, judicial reviews.

- Initiating legal proceedings where it is necessary or desirable do so. E.g. prosecutions in relation to nuisance, food safety, health and safety and taking debt recovery actions.
- Carrying out other legal work, e.g. on property transactions and relating to contracts.
- Provision of general advice, dealing with councillor queries and regular presence at committees to give legal advice.

3. The role of the Monitoring Officer - The department supports the Chief Executive in the performance of the statutory role of Monitoring Officer, and the Head of Legal undertakes all investigations and negotiations on allegations of maladministration or injustice which may be raised, including all dealings with the Local Government Ombudsman.

Legal Services is in many ways in a distinctive position in the Council in terms of advising all departments. At one end of the scale is the day-to-day case work (such as prosecutions); at the other is the advice at the strategic level concerning the Council's overall powers and responsibilities, together with tactical advice on introducing and implementing policy.

There are a number of savings by having an in-house legal team. Further work does need to be done to ensure that there are reductions in spend on external legal advice. The Head of Legal has had separate 'speculative' approaches from firms of solicitors who are interested in developing cost-saving arrangements on matters where there is no in-house expertise. The Head of Legal intends to explore these and other options at the earliest.

## **4. Revenue Budget**

- 4.1. The Revenue Budget as presented for this Committee totals £4,316,274. This is consistent with the MTFs.

<b>Service Area</b>	<b>Published Budget 2020/21 £'000</b>	<b>Draft Budget 2021/22 £'000</b>	<b>Budget Movement £'000</b>
Local Taxation	(25)	191	216
Community Support	76	70	(6)
Policy Support & Economic Development	659	513	(146)
Emergency Planning	14	10	(4)
Democratic Functions	1,310	1,191	(119)
Pensions	462	312	(150)
Information Technology	1,348	1,198	(150)
Finance & Exchequer	638	629	(9)
Legal Services	303	346	43
Office Services	406	464	58
Human Resources	403	518	115
Customer Services	473	499	26
Case Officers	951	1,052	101
Capital Charges	(1,251)	(917)	334
Support Services	(1,157)	(1,424)	(267)
Corporate and Technical Items	(2,199)	(335)	1,864
<b>Total</b>	<b>2,411</b>	<b>4,316</b>	<b>1,906</b>

- 4.2. The revenue budget proposals have been prepared on the basis that all existing services to residents are maintained directly (customer services) or indirectly (supporting other Committees).
- 4.3. A number of financial savings have been included in the Draft Budget for this Committee. The main items are as follows:
- £150k – Reduction in Added Years pension contribution as a result of the Triennial Pension Fund Valuation
  - £150k – Reduction in contribution to income equalisation reserve to £100k per annum
  - £147k – Increased Support Service recharges to the Housing Revenue Account
  - £115k – Allocating staff costs to capital for the implementation of capital projects
  - £30k – Reduction in Telephony costs from reviewing contracts
  - £24k – Increased legal Income for recharges to ringfenced areas
  - £16k – Reduction in lease cost of printers due to new contract
  - £10k – Removal of small hardware budget as these costs should be capitalised
  - £51k – Various smaller saving including printing, stationary and magazine
- 4.4. Savings proposals that are put forward and adopted into the 2021/22 budget will have their achievement monitored throughout the year and reported back to Members as part of the monthly budget monitoring process.

4.5. Additional financial pressures have been added for the following:

- £596k – Reduction in Investment income due to reduced base rate and not proceeding with a property acquisition in 2019/20
- £500k – Contribution to the General fund reserves
- £396k – Reduction in New Homes Bonus Allocation
- £333k – Increased in Depreciation charges (Net nil across Committees)
- £241k – Increased Minimum Revenue Provision (MRP)
- £110k – Initially General Fund Contingency (will revert £100k for future years)
- £102k – Pay Increments
- £94k – Reduction in rental income from council office due to tenant exercising break clause
- £84k – Reduction in property income
- £81k – Reduction in support service charges to Land charges due to restructure allocating staff directly
- £13k - Net Inflation

4.6. **Appendix A** is an extract from the MTFs for this Committee which details the pressures and opportunities/savings identified and details the overall budget position against the budget envelope.

4.7. The Draft Budget for this Committee is shown at **Appendix B** – which details the changes in budget envelopes from 2020/21 to 2021/22.

4.8. The 2021/22 employee budget (including training and pension costs) for this Committee totals £5,159,300. This is an increase of £99,529 when compared to the 2020/21 budget. There have been significant changes to the salaries budgets between the years. The main differences are due to the following:

- Increases in the primary pensions contributions payable from 15.4% to 17.1%
- Removal of mobility allowance payments
- Reallocations of apportionments between General Fund, HRA and Capital
- Addition of 0.5% pay rise
- Addition of increments for staff not at the top of their grade
- Effects of new management team structure and removal of all Director posts
- Deletion of vacant posts not required
- Addition of any new posts or changes of hours to existing posts agreed since the 2020/21 budget was set.

## 5. Review of Fees and Charges

5.1. Charges for services for a key part of the mechanism for financing local services. In simple terms income from fees and charges offsets the cost of the service. If income from charging does not fully offset costs, then the Council Taxpayer must pay for the difference.

- 5.2. It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate factors particular to individual charges. 2021/22 will be a difficult year with much uncertainty relating to the ongoing pandemic and Brexit. This is all exacerbated by the significant uncertainty with funding from Central Government over the medium-term. The SR and the provisional settlement has only provided us with surety for one year.
- 5.3. The fees and charges presented in this report are mainly discretionary charges as these provide scope to generate additional income and contribute to an improved budget position.
- 5.4. There are a number of charges that are set externally over which the Council has no control to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not required to be approved by this Committee.
- 5.5. Fees and charges have been reviewed by service managers, taking into account factors such as anticipated demand, comparison with competitors, previous levels of performance and inflation. As a result, all fees and charges have been uplifted by 2%.
- 5.6. In addition to inflation, a bench marking exercise has been completed regarding Land Charges. This exercise identified that charges for CON29 (defined within appendix C) were significantly under the average charge and therefore an increase of 10.4% had been proposed.
- 5.7. A schedule of proposed fees and charges for 2021/22 is attached at **Appendix C**.

## **6. Capital Programme**

- 6.1. The proposed Capital Programme for this Committee is shown at **Appendix D**. The programme covers a three-year period but will be reviewed and updated annually. The Appendix shows the current agreed programme, revisions to existing schemes and any new schemes added and the proposed programme after all revisions.
- 6.2. Included in the Appendix is a narrative description of each scheme.

## **7. Other options considered**

- 7.1. It is a legal obligation that the Council sets a balanced budget for 2021/22 and this has been achieved with the Strategy & Resources Committee having balanced its budget

## **8. Consultation**

- 8.1. The Council is required to consult on its proposed budget for the next financial year. The views of local people and key stakeholders are an integral part of the budget setting process.
- 8.2. The Council's Budget Consultation exercise, in relation to the Budget for 2021/22, commenced on 17<sup>th</sup> December 2020 and will end on 17<sup>th</sup> January 2021, providing information in relation to the budget challenge that the Council faces. The outcome of that consultation will be provided in the Final Budget Report to Strategy & Resources and Council in February.
- 8.3. The public consultation will give residents and stakeholders an opportunity to comment on the 2021/22 overall budget before final decisions are formalised in the Council's annual budget.

## **Key implications**

### **9. Comments of the Chief Finance Officer (s151)**

- 9.1. The Council has faced some turbulent years of late which has made the financial position very challenging. The financial position for 2020/21 was no exception, with Quarter 1 being very difficult. The CFO initiated a Finance Improvement Programme to enable the Council to take a grip and hard line on all budgets and get the "basics right." We were, earlier in the year, considering a Section 114 (stop spend) notice, it is now however not the position in which we find ourselves. We have completely turned around the financial position which means the Council is now in a surplus to budget as at Month 8 (November). The uncertainties and challenges will not dissipate into 2021/22 with ongoing issues of the pandemic, Brexit and ongoing funding uncertainty from Central Government into the medium-term. We have however built-in financial resilience in the budget for 2021/22 by growing General Fund Reserves and building a contingency to enable us to be more flexible and resilient as a Council.
- 9.2. As a result of a more favourable financial position in 2020/21, we will not draw on General Fund Reserves but contribute to them and will commence 2021/22 in a much stronger position.
- 9.3. The Council is required to set a balanced budget for 2021/22 and the proposals in this report help achieve that objective. If any efficiency proposals or savings are rejected offsetting savings will need to be identified to compensate.

### **10. Comments of the Head of Legal Services**

- 10.1. The report updates Members with the MTFs for this Committee. This is a matter that informs the budget process, is consistent with sound financial management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a MTFs.

- 10.2. The report provides information about risks associated with the MTFs and the budget. This is, again, consistent with the Council's obligation under section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 10.3. Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in any original budget calculations. The Council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
- 10.4. The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty) which includes a duty to consult. Having a MTFs therefore contributes to achieving this legal duty.
- 10.5. Although the MTFs is not a statutory document it is considered best practice.

## **11. Equality**

- 11.1. The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.
- 11.2. Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
  - advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 11.3. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

- 11.4. Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.
- 11.5. The Officers have reviewed their budget changes against the initial equalities screening tool. This has highlighted and concluded that all of savings within the 2021/22 budget will not have any direct effect on residents or service delivery (such as removal of vacant posts, renegotiation of contracts and reserve adjustments).
- 11.6. The outcome of this is that the budgetary changes have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the Budget-setting process and decision-making by using equality impact assessments.

## **12. Climate change**

- 12.1. There are no significant environmental / sustainability implications associated with this report.

## **Appendices**

Appendix A – Committee Revenue Budget Movement statement 2021/22

Appendix B – Draft Revenue Budget for 2021/22

Appendix C – Draft Fees and Charges for 2021/22

Appendix D – Draft Capital Programme 2021/22 – 2023/24

## **Background papers**

16<sup>th</sup> Dec S&R – 2021/22 Draft Budget and MTFS to 2023/24

## Committee Revenue Budget movement Statement 2021 - 24

## Strategy &amp; Resources

	2021/22 £	2022/23 £	2023/24 £
Brought forward budget	2,411,539	4,316,274	4,949,757
<b>PRESSURES</b>			
<u>Key and service assumptions:</u>			
Pay inflation	29,363	91,260	93,085
Contract inflation	30,668	31,281	31,907
Income Inflation	(17,788)	(18,144)	(18,507)
Pay increments	102,060	104,101	106,183
<u>Pressure due Capital, Investment &amp; Treasury Management Strategy:</u>			
Loss of commercial income & tenants voids	374,532	0	0
Increased Minimum Revenue Provision	241,000	514,000	103,000
Lower Investment returns due Bank of England base rate	300,000		
<u>Capital &amp; Support allocation changes:</u>			
Depreciation charged to other committees	333,300		
Higher Land Charges support costs	81,000		
Committee budget transfers - Economic Development	(22,200)		
<u>Legislation changes:</u>			
Loss of New Homes bonus grant	395,840	26,000	281,000
Increased audit fee	9,000		
<u>Working arrangement:</u>			
Workforce Allocations and Employers costs (Primary Pension & Mobility Allowances)	32,465		
<u>Contract Pressures:</u>			
Applying social distancing and business interruption	100,000	(100,000)	
<u>Sustain and Build Reserves:</u>			
General Fund reserve contribution *	500,000		
General Fund contingency *	110,105	(10,105)	
<b>Total Pressures</b>	<b>2,599,345</b>	<b>638,394</b>	<b>596,668</b>
<b>SAVINGS</b>			
<u>Working arrangements:</u>			
Capitalise salaries for officers working on capital programme	(115,500)		
Support service recharge to HRA	(147,400)		
Agile workforce - less reliance on printing & stationery	(35,311)	(10,000)	(10,000)
<u>Contract reviews:</u>			
Inflation containment and commissioning opportunities	(45,900)	(5,000)	
<u>Income:</u>			
Legal income recharged to third parties	(24,000)		
<u>Financing:</u>			
Income Equalisation Reserve - Change of strategy lowers appropriate	(150,000)		
Triennial Pension actuarial review	(150,099)	40,000	
Monitor capitalisation policy and grouping small items as one asset	(10,400)		
<u>Remodel service:</u>			
Tandridge magazine Channel shift	(10,000)		
Donations to organisations	(6,000)	(40,015)	(40,015)
<b>Total Savings</b>	<b>(694,610)</b>	<b>(15,015)</b>	<b>(50,015)</b>
<b>Total Final Budget</b>	<b>4,316,274</b>	<b>4,939,652</b>	<b>5,496,411</b>

Note: General Fund reserve contribution across the MTFS is £1.5m & Contingency is £0.3m.

Appendix B

Strategy and Resources - Revenue Budget for Year Ending 31st March 2022								
2020-21	Strategy and Resources Committee - Revenue Estimates for Year Ending 31st March 2022					Capital	Support	Total Net
Net Direct		Employee	Other	Income	Net Direct	Charges	Services	Budget
Rev Est	Description	£	£	£	£	£	£	2021/22
£		£	£	£	£	£	£	£
(63,500)	Council Tax	25,700	60,000	(173,900)	(88,200)	0	0	(88,200)
0	Discretionary Housing Payment		191,000	(191,000)	0	0	0	0
41,200	NDR Cost of Collection	428,100		(145,500)	282,600	0	0	282,600
(3,100)	Street Naming & Numbering			(3,200)	(3,200)	0	0	(3,200)
(25,400)	<b>Local Taxation incl Support</b>	<b>453,800</b>	<b>251,000</b>	<b>(513,600)</b>	<b>191,200</b>	<b>0</b>	<b>0</b>	<b>191,200</b>
75,900	Community Safety	0	69,900	0	69,900	0	0	69,900
<b>75,900</b>	<b>Community Support</b>	<b>0</b>	<b>69,900</b>	<b>0</b>	<b>69,900</b>	<b>0</b>	<b>0</b>	<b>69,900</b>
0	Health - General Prevention	483,200	34,300	(517,500)	0	0	0	0
22,200	Economic Development & Promotion				0	0	0	0
394,200	Policy Unit	272,600	0		272,600	0		272,600
242,600	Public Relations	203,000	37,100		240,100	0		240,100
<b>659,000</b>	<b>Policy Support &amp; Economic Development</b>	<b>958,800</b>	<b>71,400</b>	<b>(517,500)</b>	<b>512,700</b>	<b>0</b>	<b>0</b>	<b>512,700</b>
13,900	Community & Civil Defence	0	10,300	0	10,300	0	0	10,300
<b>13,900</b>	<b>Emergency Planning</b>	<b>0</b>	<b>10,300</b>	<b>0</b>	<b>10,300</b>	<b>0</b>	<b>0</b>	<b>10,300</b>
846,763	Corporate Management	354,200	361,865		716,065	0		716,065
371,800	Democratic Representation & Management	117,000	264,900		381,900	0		381,900
59,500	Election of District Councillors		60,700		60,700	0	0	60,700
31,500	Registration of Electors		34,100	(2,000)	32,100	0	0	32,100
<b>1,309,563</b>	<b>Democratic Functions</b>	<b>471,200</b>	<b>721,565</b>	<b>(2,000)</b>	<b>1,190,765</b>	<b>0</b>	<b>0</b>	<b>1,190,765</b>
462,200	Non-Distributed Cost ex Central Expenses		312,101		312,101	0	0	312,101
<b>462,200</b>	<b>Pensions</b>	<b>0</b>	<b>312,101</b>	<b>0</b>	<b>312,101</b>	<b>0</b>	<b>0</b>	<b>312,101</b>
1,347,600	IT Services	389,200	815,900	(6,900)	1,198,200	511,150	(400,000)	1,309,350
<b>1,347,600</b>	<b>Information Technology</b>	<b>389,200</b>	<b>815,900</b>	<b>(6,900)</b>	<b>1,198,200</b>	<b>511,150</b>	<b>(400,000)</b>	<b>1,309,350</b>
637,700	Finance & Exchequer Services	488,800	139,800		628,600	0	(81,000)	547,600
<b>637,700</b>	<b>Financial Services</b>	<b>488,800</b>	<b>139,800</b>	<b>0</b>	<b>628,600</b>	<b>0</b>	<b>(81,000)</b>	<b>547,600</b>
303,300	Legal Services	379,000	30,800	(63,400)	346,400	0		346,400
<b>303,300</b>	<b>Legal Services</b>	<b>379,000</b>	<b>30,800</b>	<b>(63,400)</b>	<b>346,400</b>	<b>0</b>	<b>0</b>	<b>346,400</b>
179,800	Media Creation Unit		150,900	(7,100)	143,800	0	(50,000)	93,800
225,800	Office Services	124,800	445,600	(250,300)	320,100	206,800	(200,000)	326,900
<b>405,600</b>	<b>Office Services</b>	<b>124,800</b>	<b>596,500</b>	<b>(257,400)</b>	<b>463,900</b>	<b>206,800</b>	<b>(250,000)</b>	<b>420,700</b>
403,400	Human Resources	454,600	62,900		517,500	0	(100,000)	417,500
<b>403,400</b>	<b>Human Resources</b>	<b>454,600</b>	<b>62,900</b>	<b>0</b>	<b>517,500</b>	<b>0</b>	<b>(100,000)</b>	<b>417,500</b>
473,400	Customer Services	493,700	5,000	0	498,700	0	(130,400)	368,300
<b>473,400</b>	<b>Customer Services</b>	<b>493,700</b>	<b>5,000</b>	<b>0</b>	<b>498,700</b>	<b>0</b>	<b>(130,400)</b>	<b>368,300</b>
951,100	Case Officer Services	1,052,300			1,052,300	0	(462,700)	589,600
<b>951,100</b>	<b>Case Officers</b>	<b>1,052,300</b>	<b>0</b>	<b>0</b>	<b>1,052,300</b>	<b>0</b>	<b>(462,700)</b>	<b>589,600</b>
<b>7,017,263</b>	<b>Subtotal</b>	<b>5,266,200</b>	<b>3,087,166</b>	<b>(1,360,800)</b>	<b>6,992,566</b>	<b>717,950</b>	<b>(1,424,100)</b>	<b>6,286,416</b>
	<b>Corporate Income and Expenditure</b>							
(1,287,300)	Investment Income	0	10,500	(700,700)	(690,200)	0	0	(690,200)
780,700	Interest Payable	0	780,700		780,700	0	0	780,700
(989,010)	Property Income	0		(905,010)	(905,010)	0	0	(905,010)
(496,049)	Transactions with HRA	0		(300,449)	(300,449)	0	0	(300,449)
294,900	Minimum Revenue Provision	0	535,900		535,900	0	0	535,900
(737,200)	New Homes Bonus	0		(341,360)	(341,360)	0	0	(341,360)
235,435	Contribution to / (from) Reserves	0	585,427		585,427	0	0	585,427
0	Depreciation	0	0	0	0	(1,635,150)		(1,635,150)
<b>(2,198,524)</b>	<b>Corporate and Technical Items</b>	<b>0</b>	<b>1,912,527</b>	<b>(2,247,519)</b>	<b>(334,992)</b>	<b>(1,635,150)</b>	<b>0</b>	<b>(1,970,142)</b>
<b>4,818,739</b>	<b>Total</b>	<b>5,266,200</b>	<b>4,999,693</b>	<b>(3,608,319)</b>	<b>6,657,574</b>	<b>(917,200)</b>	<b>(1,424,100)</b>	<b>4,316,274</b>
Capital Charges	(1,250,500)							
Support Services	(1,156,700)							
<b>Total</b>	<b>2,411,539</b>							

Appendix C

STRATEGY & RESOURCES COMMITTEE Proposed Fees and Charges							
Fees and Charges	Gross Charges Current Charges 2020/21	Proposed Gross Charges 2021/22	Percentage Increase 2021/22	Budgeted Income 2020/21	Actual YTD at Sept 20	Expected Outturn 2020/21	Proposed Budget 2021/22
	£	£	%	£	£	£	£
<b>Legal Charges (Per Hour) *</b>							
Head of Legal & Monitoring Officer	261.00	266.00	1.9%				
Principal Solicitor, Assistant Solicitor, Senior Lawyer (F	246.00	251.00	2.0%				
Clerical Assistant, Legal Assistant (Per Hour)	182.00	186.00	2.2%				
Legal Assistant / Interns/ Case Officers	100.00	102.00	2.0%				
Support Officer / Apprentices	50.00	51.00	2.0%				
# Drafting a simple licence	510.00	520.00	2.0%				
# Drafting a simple wayleave agreement/ lease	1224.00	1248.00	2.0%				
# Renewal of simple licence	306.00	312.00	2.0%				
# Renewal of simple wayleave agreement/ lease	714.00	728.00	2.0%				
Right to Buy; Request for a management pack	204.00	208.00	2.0%				
Lease Notice	100.00	102.00	2.0%				
*Charities/ Community Groups may be eligible for a 50% discount on legal fees							
<b>Total Budgeted Income</b>				<b>30,000</b>	<b>12,000</b>	<b>30,000</b>	<b>54,000</b>
<b>Court Costs (subject to confirmation from courts)</b>							
Council Tax Summons Charges	62.50	62.50	0.0%				
Council Tax Liability Order	30.00	30.00	0.0%				
NNDR Summons Charges	102.50	102.50	0.0%				
NNDR Liability Order	20.00	20.00	0.0%				
<b>Total Budgeted Income</b>				<b>125,400</b>	<b>-</b>	<b>130,000</b>	<b>128,500</b>

<b>Fees and Charges</b>	<b>Gross Charges Current Charges 2020/21</b>	<b>Proposed Gross Charges 2021/22</b>	<b>Percentage Increase 2021/22</b>	<b>Budgeted Income 2020/21</b>	<b>Actual YTD at Sept 20</b>	<b>Expected Outturn 2020/21</b>	<b>Proposed Budget 2021/22</b>
	£	£	%	£	£	£	£
<b>Land Charges</b>							
LLC1*	27.00	28.00	3.7%				
CON29*	125.00	138.00	10.4%				
Extra Parcels	24.00	24.00	0.0%				
Part 2 Questions	18.00	18.00	0.0%				
Solicitors own Questions	61.00	62.00	1.6%				
3.10 Questions	1.25	1.50	20.0%				
Section 106 service	0.00	10.00	N/A				
<b>Total Budgeted Income</b>				<b>135,000</b>	<b>76,600</b>	<b>135,000</b>	<b>137,700</b>
* LLC1 and CON29 refer to the two forms required to instruct a land charge search							
<b>Street Naming and Numbering</b>	From £12 to £180	From £12 to £180	0.0%	<b>3,100</b>	<b>4,895</b>	<b>5,000</b>	<b>3,200</b>
<b>Total Budgeted Fees and Charges Income</b>				<b>293,500</b>	<b>93,495</b>	<b>300,000</b>	<b>323,400</b>

Appendix D

<b>CAPITAL PROGRAMME 2020/21 TO 2023/24 - Strategy &amp; Resources</b>					
<b>COMMITTEE SCHEMES</b>	<b>Current Programme 2020/21 £</b>	<b>Estimated Programme 2021/22 £</b>	<b>Estimated Programme 2022/23 £</b>	<b>Estimated Programme 2023/24 £</b>	<b>Total Programme 2020-24 £</b>
<b>Stratgy &amp; Resources</b>					
<b>Current Continuing Programme</b>					
Council Offices Major Works Programme	75,000	0	0	0	75,000
Customer First/IT	150,000	50,000	0	0	200,000
IT - Hardware/infrastructure Projects GF	541,200	365,400	163,400	0	1,070,000
Investment & Development Fund	981,000	64,374,900	0	0	65,355,900
Quadrant House (incl in above)	0	0	0	0	0
<b>Total Current Continuing Programme</b>	<b>1,747,200</b>	<b>64,790,300</b>	<b>163,400</b>	<b>0</b>	<b>66,700,900</b>
<b>Revisions and New Bids</b>					
Council Offices Major Works Programme		0	0	0	0
Customer First/IT		(50,000)	0	0	(50,000)
IT - Hardware/infrastructure Projects GF		101,200	64,600	271,500	437,300
Investment & Development Fund		(64,374,900)	0	0	(64,374,900)
Quadrant House Phase 2		4,900,000	0	0	4,900,000
<b>Total Revisions and New Bids</b>	<b>0</b>	<b>(59,423,700)</b>	<b>64,600</b>	<b>271,500</b>	<b>(59,087,600)</b>
<b>Proposed Programme</b>					
Council Offices Major Works Programme	75,000	0	0	0	75,000
Customer First/IT	150,000	0	0	0	150,000
IT - Hardware/infrastructure Projects - GF	541,200	466,600	228,000	271,500	1,507,300
Investment & Development Fund	981,000	0	0	0	981,000
Quadrant House Phase 2	0	4,900,000	0	0	4,900,000
<b>Total Proposed Programme</b>	<b>1,747,200</b>	<b>5,366,600</b>	<b>228,000</b>	<b>271,500</b>	<b>7,613,300</b>

## CAPITAL PROJECT APPRAISAL - STRATEGY & RESOURCES

<b>Title of Scheme</b>	<b>Council Offices Major Maintenance Programme</b>
<b>Description of Scheme</b>	A 25 year planned maintenance programme to enable compliance with legislative and health and safety requirements, achieved through replacement or refurbishment of the major components of the Council Office in line with their deterioration and new compliance requirements.
<b>Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)</b>	This scheme will include the progression of decarbonising the Council Offices.
<b>Title of Scheme</b>	<b>Customer First/IT</b>
<b>Description of Scheme</b>	A major people change project to remodel the ways of working and culture and to be supported by new business processes across the Council. Funding initially provided for 2017 to 2019, the scheme provides funding for ICT development. It is administered by the Business Improvement & Service Delivery Manager and overseen by a corporate management committee.
<b>Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)</b>	<p>The IT implementation programme is designed to bring efficiencies in the ways of working, designing and developing processes around the needs of the customer. Capital funding will be justified against savings delivered as a result and are initially estimated in the Customer First business case.</p> <p>During 2020/21 the final roll out of mobile technology will be deployed. This hardware plus licensing costs includes mobile phones, tablets in vehicles and for new starters.</p> <p>This programme will support the further use of flexible and home working capability matching the Smarter Working strategy. The future of our computer room capability will also increasingly focus on virtualisation and communication, with cloud services and shared systems becoming an increasing part of our service configuration.</p>
<b>Title of Scheme</b>	<b>IT - Hardware/Infrastructure Projects - GF</b>
<b>Description of Scheme</b>	The Customer First project envisaged significantly enhancements & development of the existing IT systems. However, Customer First was implemented before the technology solutions, in particular on line capability, were put in place. This has been one of the issues which has led to the performance and staffing issues following the implementation. Consequently, the savings expected under Customer First were removed from the budget prior to the technology being available. Additional projects outside the original scope of Customer First have been identified as essential due to failing software/hardware, system modules bought 3 years ago but not implemented and further possible savings resulting from automation.
<b>Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)</b>	<p>It is necessary to invest in a number of areas :-</p> <ol style="list-style-type: none"> <li>1. Disaster recovery solution</li> <li>2. Replacement cycles for laptops, desktops, servers, switches, firewalls on a cyclical basis (2021/22 onwards)</li> <li>3. Automation of book and pay</li> <li>4. Planning – end to end migration from one salesforce org to another (completed)</li> <li>5 Civica disposal module and licence to comply with GDPR</li> <li>6. Orchard – implementation of Promaster, Asset Go, DLO AND Service Charge models</li> <li>7. Replacement of outdated telephony which is not fit for purpose</li> <li>8. Northgate – cloud-based on line solution for Revenues, benefits and NNDR</li> <li>9. Replacement of Adelante and implementation of automated bank reconciliation</li> </ol> <p>An IT Strategy Board has been formed to develop the Council's IT Strategy and to agree the development and implementation of specific IT schemes to improve service delivery and reduce staffing costs if possible. The IT Strategy Board will be officer based and will report to the Council's Improvement Working Group. The commissioning of each project will be based on a detailed business case being approved by the IT Strategy Board.</p>

<b>Title of Scheme</b>	<b>Investment and Development Fund</b>
<b>Description of Scheme</b>	Quadrant House Refurbishment Phase 1 (see below)
<b>Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)</b>	
<b>Title of Scheme</b>	<b>Quadrant House Phase 1 &amp; 2</b>
<b>Description of Scheme</b>	Phase 1 - refurbishment of common parts (lobbies, WCs, communal kitchens, lifts, stairwells, corridors) and setup of a Business Hub. Phase 2 - refurbishment of the exterior and the vacant suites and a package of environmental improvements. Phase 2 includes improvements to the external fabric including better insulation and decoration, replacement roof coverings and fire escape route upgrades, a green wall for the Croydon Road elevation, a roof terrace for the third floor in Quadrant South, refurbishment of vacant suites to include heat pump VRF heating cooling technology (gradual phasing out of reliance on gas boilers) and, if budget allows, photovoltaic panels on the flat roof.
<b>Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)</b>	The works at Quadrant House will deliver a significantly improved building which will be more sustainable, both economically and environmentally and which is a key project for Caterham regeneration. The benefits of the works include ability to let vacant suites and ability to generate higher rental returns. The contract for phase 1 works is anticipated to be signed in December 2020 with works to commence in January 2021 and complete in Spring 2021. For phase 2 the planning application is anticipated to be submitted in early January (with a decision in Spring), the tender is anticipated to be issued in late Jan (with a return in March) and the start of works on site is anticipated to be in late Spring/early Summer 2021.