

**FINANCIAL FORECAST FOR
THE PERIOD FROM 2010/11
TO 2014/15 AND TARGET
BUDGET FOR THE 2010/11
FINANCIAL YEAR**

**Approved by the Corporate Management
Committee on 29 October 2009**

FINANCIAL FORECAST AND TARGET BUDGET

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EXECUTIVE SUMMARY

- 1.1 This report is a forecast of the Council's revenue and capital spending covering the period up to the 2014/15 financial year.
- 1.2 Runnymede's Band D tax of £132.93 is the lowest Council Tax in Surrey and the sixth lowest local tax in England out of 201 districts (*paragraph 4.4*).
- 1.3 However, this is not a sustainable level of tax. The Band D tax of £132.93 cannot support the cost of providing Council services without withdrawing £2,069,000 from working balances in 2009/10 to balance the budget (as shown in *paragraph 4.1*). If these working balances were not available, the Band D Council Tax would need to be £195.59 to fund the present level of services. (*paragraph 4.5*).
- 1.4 The Government's cap on Council Tax increases is a major financial constraint for the Council. In preparing this financial forecast, it has been assumed that the Government will continue to cap increases above 5% in future years (*paragraph 8.2*).
- 1.5 This will restrict the amount that Runnymede is able to raise from the Council Tax to a level that will still be an estimated £53 less than the district average at the end of the Forecast period. Without the ability to raise the tax to a more sustainable level, the Council has no choice but to make substantial reductions in net expenditure.
- 1.6 Despite making considerable savings in recent years, the Forecast shows that the Council will have to continue withdrawing funds from its balances over the next five years to support the cost of services. To achieve a balanced budget, the Council will need to reduce spending further.
- 1.7 Inflation imposes a very significant burden on the Council (*paragraph 6.3.4*). The Forecast assumes modest inflation, but even this is estimated to add £1.9 million to the cost of services over the next five years (*appendix H, page 39, line 21*). Since 56% of the Council's budget requirement is funded by government grant, which is not expected to increase in line with inflation, it means that a disproportionate share of the inflationary impact falls on the Council Tax. The possibility of higher inflation poses a significant risk.
- 1.8 The Council faces considerable uncertainties (*section 10*). In the past, when the Council had larger revenue reserves and capital receipts, it could face an uncertain future with some confidence that it had the financial flexibility to meet additional costs or phase in the necessary revenue reductions over a medium-term timescale. Now that these reserves and receipts have been spent or committed, that flexibility is no longer available. If the risks identified in this report result in significant additional cost or reduced income, the Council will have no choice but to make further cuts in services. The Council has set a target for achieving savings in its budget, £847,000 of which remains to be identified. It is now a priority to decide which areas of the budget are to be reduced (*paragraph 11.8*) in order to produce a sustainable budget over the next five years.

INTRODUCTION AND CONTEXT

2. Introduction

- 2.1 This report is a forecast of the Council's revenue and capital spending covering the period up to the 2014/15 financial year. The purpose is to
- **consider the resourcing of the Council's spending plans over the next five years and the implications for the level of Council Tax;**
 - **seek confirmation that the plans adequately reflect the Council's policy aspirations;**
 - **recommend a target budget for 2010/11.**
- 2.2 This document will be used as a basis for consultation with stakeholders and the general public.

Financial Strategies

- 2.3 The amount that the Council spends on its services is based on the policies that the Council has approved for the delivery of these services. These are set out in a range of strategy statements including
- the Sustainable Community Strategy and Corporate Plan 2009 "Making a Difference".
 - service specific strategies (e.g. Housing, Cultural)
 - business-led strategies (e.g. Capital Strategy, Asset Management Plan, IS/IT Strategy)
- 2.4 Appendix B illustrates in diagrammatic form the relationship between these documents and how the Council conducts the business of decision-making and consultation.
- 2.5 Key policies derived from these strategy statements are summarised in the following table. The Forecast shows the financial implications of these policies and enables the Council to decide whether or not it can afford the desired service developments and how it will pay for them.

Exhibit 1: Summary of Key Policies

Overall Vision

Runnymede Borough Council is committed to ensuring it continues to be well-run, provides value for money and pursues opportunities for partnership working. The Council will seek to maintain the quality of and satisfaction with our services, and ensure that services are accessible by and responsive to all who need them.

Approved Financial Policies

- Maintain rigorous financial control of the Council's affairs to ensure we keep to a minimum any additional call on Council Taxpayers.
- Increase Council Tax by the maximum amount allowed under the Government's capping criteria (currently 5%).
- Implement the next phase of revenue reductions:-
 - Revenue savings of £712,000 approved in December 2008.
 - An additional target of £1,500,000 approved (June 2009) against which initiatives totalling £653,000 have been identified (September 2009).
- Hold a minimum of £1.5 million in General Fund unallocated reserves.

Key Service Objectives

Healthier and Safer Communities

- Maintaining clean and safe streets
- Increasing access to health and social support facilities
- Supporting vulnerable people
- Promoting sports and leisure facilities
- Supporting communities Access to Affordable and Decent Housing.

Prosperous Communities

- Increasing access to decent housing
- Identifying and implementing solutions to traffic congestion
- Supporting and promoting local businesses
- Revitalising town centres
- Safeguarding and increasing job prospects
- Protecting the natural environment
- Promoting the sustainable use of resources Access and Transport

3. Background

3.1 The cost of Council Housing is met from tenants' rents and these are accounted for in the Housing Revenue Account. The cost of all other services is charged to the General Fund and this is paid for by the Council Tax and Government grant.

3.2 The income that the Council derives from Council Tax and Government grant is insufficient to support the Council's General Fund budget. The Council has been dependent on withdrawing from its reserves in order to balance its budget. It has adopted a programme of revenue reductions and annual tax increases in order to eliminate its dependence on reserves.

- 3.3 The decision by the Secretary of State to cap the Council's 2005/06 budget required a radical reassessment of the Council's long term plans. It locked the Council into an unsustainably low level of Council Tax and meant that the Council could no longer rely on large percentage increases in the Council Tax to bring the budget into balance. The Council's response was to initiate a new programme of revenue reductions that yielded annual savings of £2.4 million.
- 3.4 Further savings are required to bring the General Fund into balance and the position continues to deteriorate as a result of the economic recession. Following approval of a package of savings totalling £712,000 in December 2008, the position at September 2009 is that the Council has set a target of reducing the budget by another £1,500,000. Specific proposals contributing £653,000 towards this target were approved by the Corporate Management Committee in September 2009.

4. **General Fund - Context**

Net expenditure

- 4.1 The original budget approved by the Council for the 2009/10 financial year provided for:

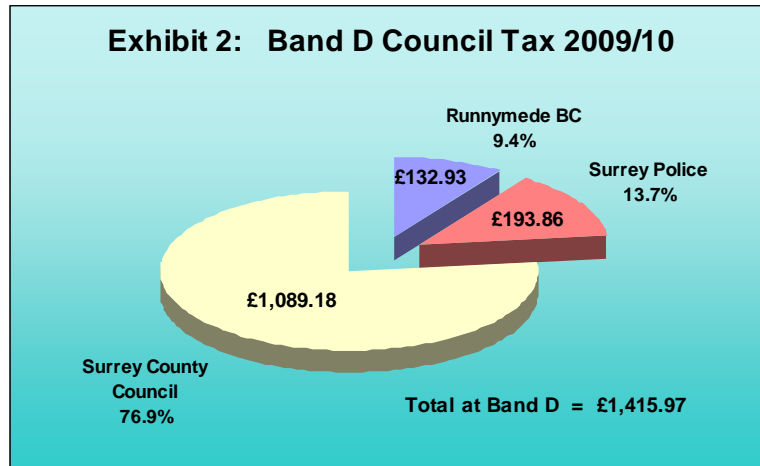
		<i>See Appendix H page 39</i>
A net expenditure on service budgets of	£16,736,700	<i>line 12</i>
After allowing for transfers and investment income of	-£4,828,700	<i>lines 14 to 22</i>
the net expenditure on the General Fund is	£11,908,000	<i>line 23</i>
The original estimate provides for the withdrawal in working balances of	-£2,069,000	<i>line 24</i>
and this reduces the Budget Requirement to	£9,839,000	<i>line 25</i>
A contribution is required to pay for a deficit on the yield that was expected from the previous year's Council Tax of	£32,300	<i>line 27</i>
The expenditure in line 26 and line 28 is financed from		
(i) Government support through grant and business rates of	£5,482,100	<i>line 26</i>
and (ii) from the 2009/10 demand on Council Taxpayers which will yield	£4,389,200	<i>line 28</i>

A detailed breakdown of each service budget is provided in the Budget Book. This is reproduced on the Council's web site at: -

<http://www.runnymede.gov.uk/portal/site/runnymede/menuitem.24195464ff4f537cca6ea0a1af8ca028/>

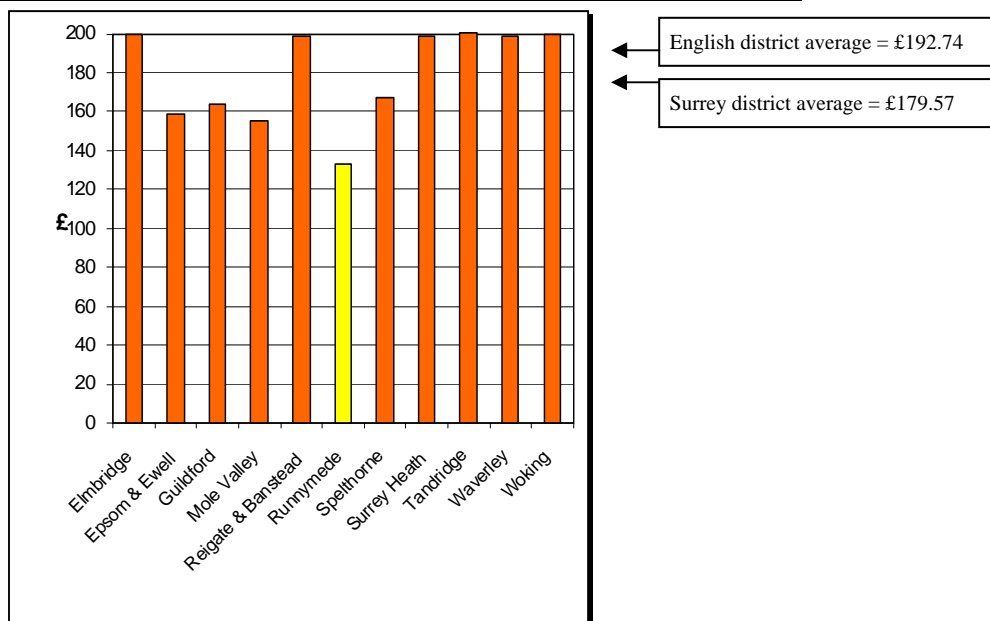
Council Tax

- 4.2 The demand on Band D Council Taxpayers in 2009/10 for Runnymede Borough Council's portion of the tax is £132.93. This represents 9.4% of the overall tax (depicted in Exhibit 2).



4.3 Exhibit 3 shows how Runnymede’s portion compares with the other Surrey Districts. The closest tax to Runnymede’s is at Mole Valley, where the tax is £155.02 including parish precepts (£22.09 higher than Runnymede). The highest tax is at Tandridge (£200.84 at Band D).

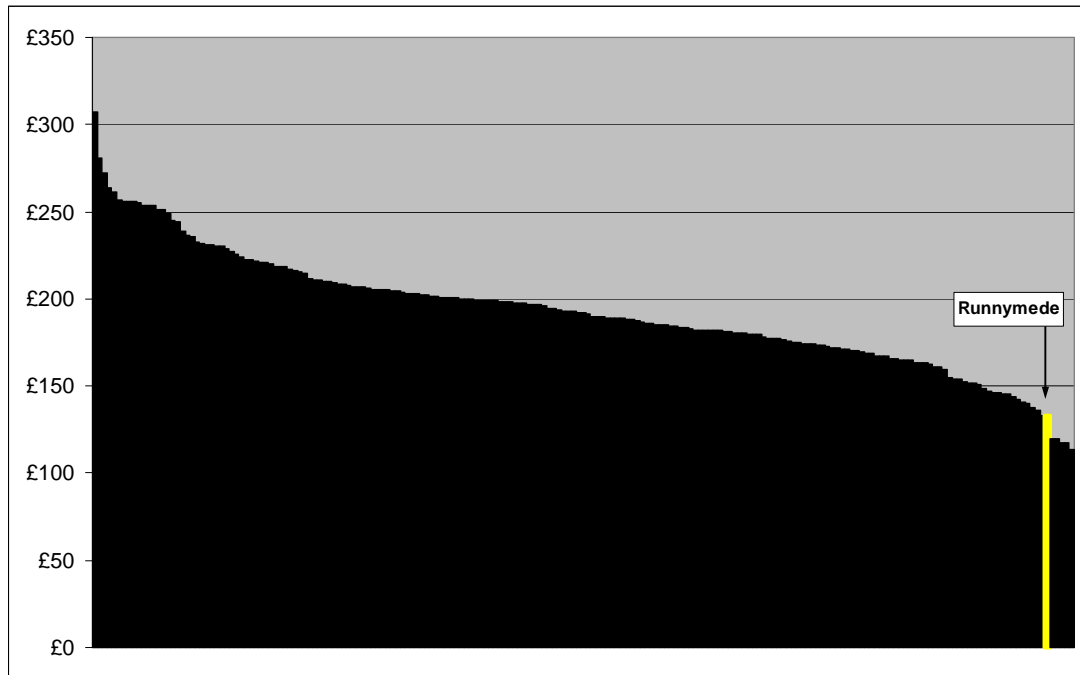
Exhibit 3: Local Council Tax at Band D in Surrey 2009/10



N.B. This includes the average Parish charges in each District where appropriate.

4.4 As well as being the lowest Council Tax in Surrey, Runnymede’s tax is also the sixth lowest local tax in England (out of 201 districts):-

Exhibit 4: Band D Local Council Taxes in England 2009/10



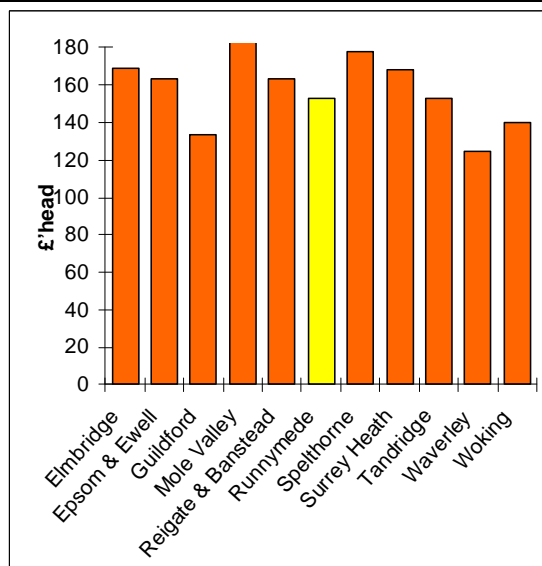
Source: Department of Communities and Local Government:
<http://www.local.communities.gov.uk/finance/ctax/data/ctax0910t6.xls>
 (average Council Tax for each non-metropolitan district including parishes)

4.5 However, this is not a sustainable level of tax. The Band D tax of £132.93 cannot support the cost of providing Council services without withdrawing significant sums from working balances to balance the budget. As shown in paragraph 4.1, this amounts to £2.069 million in the 2009/10 original budget alone. If these working balances were not available, the Band D Council Tax in 2009/10 would need to be £195.59 to fund the present level of services.

Expenditure comparisons with other Surrey Districts

4.6 The Council's budgeted expenditure on services per head of population (£152.63) is slightly under the average for Surrey districts (£157.48) as shown in Exhibit 5.

Exhibit 5: Total expenditure on services: 2009/10 Budgets



Source: CIPFA Finance and General Statistics 2009/10

4.7 Appendix C shows Runnymede's budgeted expenditure per head on a range of services compared with the other Surrey Districts. Benchmarking can be a useful tool for evaluating the Council's performance and it helps to inform decisions on the future delivery of services.

Formula Grant from the Government

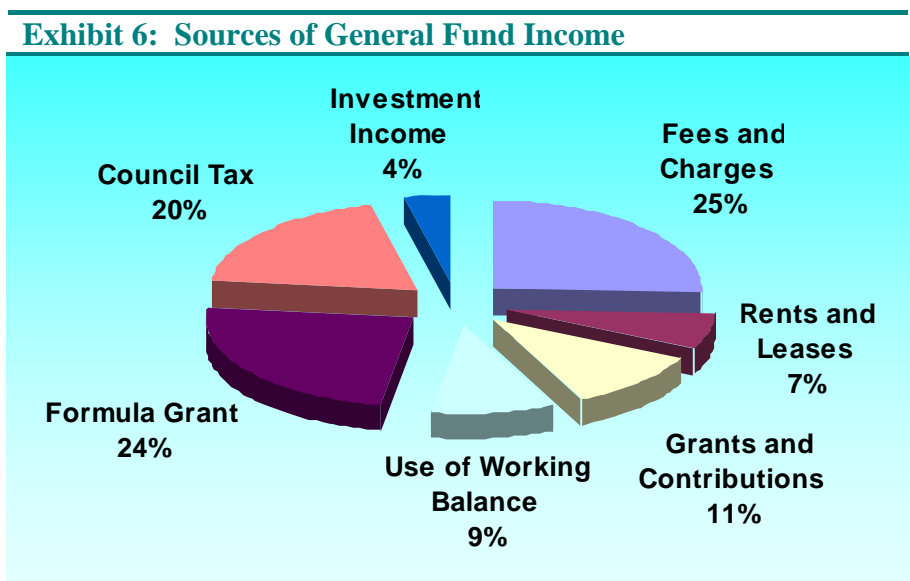
4.8 Formula Grant from the Government (*page 39, line 26*) currently pays for 56% of the Council's budget requirement. What happens to the Council's grant entitlement is therefore critical to the overall financial forecast. In December 2007 the Government announced a three year finance settlement for local government thereby providing a degree of certainty over central funding until 2010/11. Grant levels thereafter will be subject to the outcome of the next comprehensive spending review. An explanation of Formula Grant can be found at <http://www.local.communities.gov.uk/finance/0910/simpguids.pdf>.

Use of reserves

4.9 Withdrawals from reserves over the last six years have enabled the Council to continue spending in excess of the level that can be supported by Council Tax and grant. This strategy cannot continue indefinitely because reserves will eventually be exhausted. Prior to the Government's 2005/06 capping announcement the Council had planned to increase the Council Tax by at least 17½% each year to reduce the dependency on reserves. Now that capping limits the Council's ability to raise tax levels to 5% each year, it is forced to make significant reductions in overall spending to achieve the same result.

Analysis of income sources

4.10 The figures so far have focused on the net expenditure of the General Fund. Another useful analysis is to show what income sources pay for the Council's gross expenditure. For this purpose benefit payments have been excluded because they are 100% funded by the government. Based on an adjusted gross expenditure in 2009/10 of £22.4 million, Exhibit 6 shows the various sources of income that pay for this expenditure. This underlines the Council's dependence on using working balances.



DEMAND FOR SERVICES

- 5.1 Runnymede is an area with a growing population and continues to enjoy relatively low levels of unemployment. It has a population of 83,400 living in around 33,000 households. There is a strong local economic base with many commercial enterprises in the town centres, industrial estates and business parks. As a result, more people commute into Runnymede for work than commute out.
- 5.2 Population projections based on the 2001 census forecast the following key developments between 2006 and 2011:-
- a 2.2% increase in the overall population.
 - a 3.3% increase in the number of dwellings.
 - a 9.4% increase in the number of dwellings occupied by one adult.
 - a 19.6% increase in the number of people over 85 (from 1,904 to 2,277).
- The implications for the Council's services will be to create particular demand-led pressures on environmental, leisure, housing and planning services.
- 5.3 This is also reflected in the recent report on the South East Plan, which increased Runnymede's annual housing target to 161 units up to 2026. There is a further 2,500 unit allocation at Longcross in addition to the annual allocation. Therefore the overall housing numbers that Runnymede has to deliver by 2026 is 5,720, made up of 161 x 20 + 2,500. That represents an 18% increase in households. One of the Council's key actions is to increase affordable housing so the Council will be working with developers and social landlords to maximise the supply of suitable affordable homes within these new development proposals.
- 5.4 The Economic Strategy, Cultural Strategy and State of Runnymede reports identify other factors which influence the demand for services:-
- A relatively high cost of living (particularly due to high housing costs).
 - High wages and a high proportion of 'knowledge' sector workers.
 - Proximity of larger towns outside the borough, creating pressure from local businesses and interest groups for the Council to invest in town centres and amenities.
- 5.5 The assumption made in the Forecast is that these service pressures will continue to be managed within existing resources. However, protecting these service areas this will increase the need for further efficiency savings or reductions in other services.
- 5.6 In the year since the Council considered its last Financial Forecast the UK economy has entered what some commentators have described as the worst recession since the 1930s. The Regional Intelligence Snapshot for the South East published in June 2009 reported evidence that the rate of deterioration in business conditions in the region had bottomed out. Increased unemployment is placing some services under greater pressure (e.g. benefits administration, housing advice). The downturn in the property market has had a severe negative impact on income from planning applications, building control inspections and land searches.

FINANCIAL PROSPECTS

6.1 The Corporate Management Committee received a report on the Council's deteriorating financial prospects at its meeting on 25 June 2009. This section of the Financial Forecast covers the same issues as that report, updated to reflect the latest available data.

6.2 *Interest rates*

6.2.1 Bank base rate has fallen to its lowest level since the Bank of England came into existence. Commentators seem to agree that these low interest rates will last for the next 12 months. After that, opinion is divided. Some forecasters think the low rates will continue but there are a minority who think that rates will start to rise in 2010. The latest forecast produced by the Council's treasury consultants, Sterling Consultancy Services, is reproduced below. This anticipates that base rate will be held at 0.5% until the first quarter of 2010 (longer than Sterling's forecasts earlier in the year) but that the subsequent rise in rates will be faster than previously depicted.

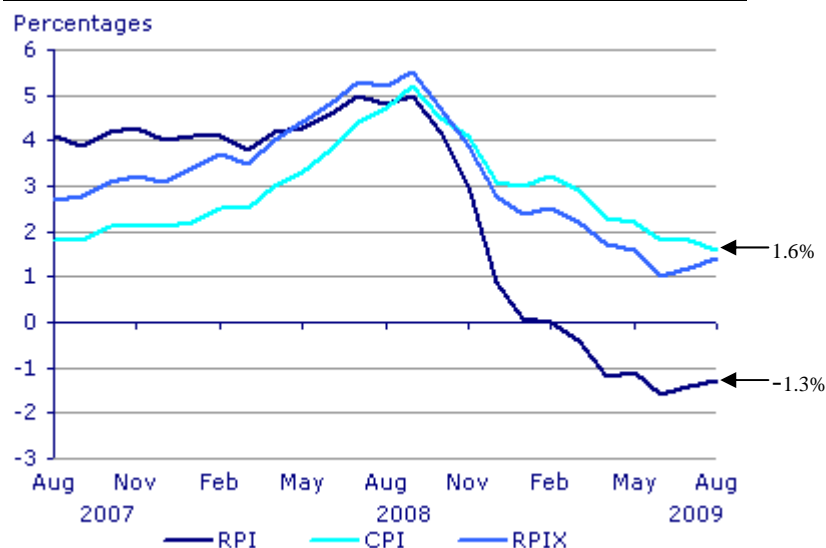
Exhibit 7: Forecast interest rates provided by Sterling Consultancy Services (September 2009)				
	Base	3-Month	12-Month	25-Year
	%	%	%	%
Current	0.50	0.62	1.16	4.22
Quarter 3 2009	0.50	0.60	1.10	4.35
Quarter 4 2009	0.50	0.70	1.20	4.50
Quarter 1 2010	0.50	0.90	1.40	4.75
Quarter 2 2010	1.00	1.50	2.00	5.00
Half-year 2 2010	1.50	2.00	2.30	5.20
Half-year 1 2011	2.50	3.00	3.30	5.40
Half-year 2 2011	4.00	4.20	4.40	5.60
Half-year 1 2012	5.00	5.25	5.50	5.80

6.2.2 The Council currently holds some fixed interest investments that are not due to be repaid until 2010 and 2011. This provides the Council with some protection against the short term fluctuation in interest rates. The Financial Forecast in October 2008 assumed average interest earnings of 5%. By the time that the 2009/10 budget was produced, these projections had been modified downwards to 4% in 2009/10, 3½% in 2010/11 and 5% thereafter. Based on the latest analysis received from Sterling Consultancy Services shown in Exhibit 7, the average return included in the Forecast has again been reduced to 3½% in 2009/10, 3% in 2010/11, 4% in 2011/12 and 5% thereafter (*page 39, line 16*).

6.3 Inflation

6.3.1 Previous financial reviews have drawn attention to the Council's vulnerability to the cumulative impact of inflation, even when the percentage rate of pay and price increases is relatively low. Therefore the significant reduction in inflation over the last year is a welcome development for the Council's finances. This is depicted in Exhibit 8.

Exhibit 8: Annual Inflation Rates in the UK Economy

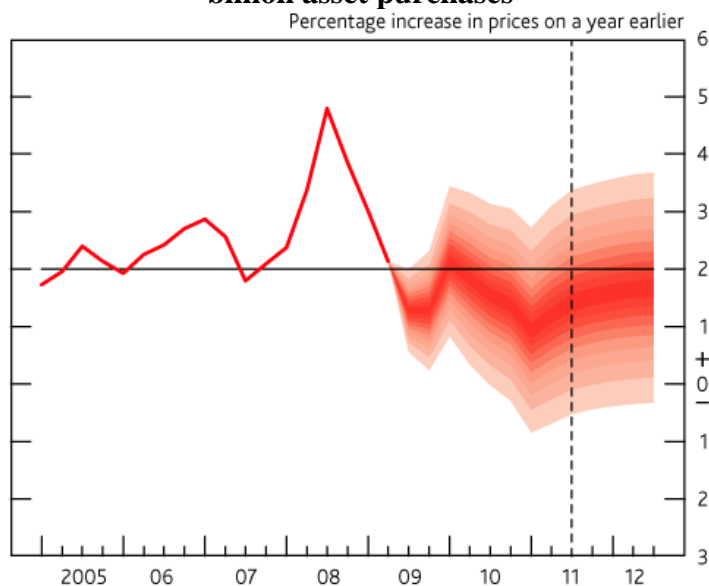


Source: Office for National Statistics

6.3.2 The Bank of England continues to stress the uncertain prospects for inflation. Their August report states *“The downward pressure from the weak demand environment will depend on the timing and strength of the recovery, the impact of the slowdown on the supply capacity of the economy, and on the sensitivity of inflation to the degree of economic slack. The upward pressure from sterling's depreciation depends on the extent to which companies need to adjust further to the higher import costs and on whether this adjustment comes through higher prices or lower wages. There may also be upwards pressure on inflation from rising global energy and commodity prices if world growth picks up by more than expected. There are risks in both directions that inflation expectations may become less firmly anchored, although the Committee's commitment to maintain inflation close to target should help to limit those risks. The balance of these factors suggests that, conditioned on the monetary policy assumptions described above, inflation is more likely to be below target in the medium term than above. The projected distribution for inflation in the medium term is broadly similar to May.”* This is depicted in the consumer price index (CPI) chart published by the Bank in August 2009 (Exhibit 9).

6.3.3 In view of the Bank's projections, the provision for inflation in the Financial Forecast has been modified downwards to 1% in 2010/11 (but allowing ½% for pay) and 2% thereafter. Pay inflation alone costs the General Fund £100,000 each year for every 1% increase and has a cumulative impact thereafter, so the reduced provision for inflation has a positive impact. A concern remains that even while overall inflation remains low, there may be higher inflation on those commodities that have a disproportionate impact on the Council's services (e.g. electricity, gas and fuel).

**Exhibit 9: Bank of England's August 2009 CPI projection
based on market interest rate expectations and £175
billion asset purchases**



6.3.4 Even at these historically low rates of inflation, the Forecast shows that pay and price increases will cost the General Fund an additional £1,870,000 by 2014/15.

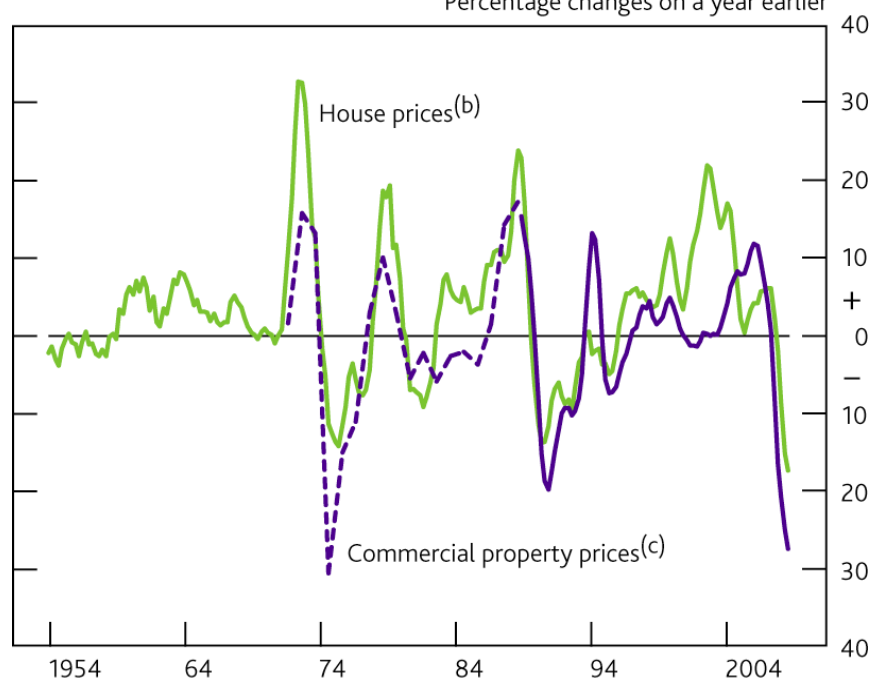
6.3.5 The possibility of higher than forecast inflationary pressures is a significant risk to the overall strategy. Higher inflation would result in a need to make further compensating revenue savings.

6.4 ***Capital receipts***

6.4.1 The financing of the Council's capital programme and the creation of reserves to generate investment income have been heavily dependent on the Council being able to yield significant receipts from the disposal of assets. The downturn in property prices and the reduction in bank lending have had a severe impact on receipt generation, particularly the disposal of the old civic offices site. The Bank of England's analysis of changes in real property prices (Exhibit 10) published with their February report suggests that a period of five years is likely to elapse between the nadir in the market and a renewed peak. However, it is important to remember that past trends do not guarantee that the recovery will materialise over a similar period.

6.4.2 The balance of probability is that there is little chance of an early recovery in development activity. This has two implications for the Council. Firstly it will reduce the available receipts that the Council is able to invest. Secondly, it may mean that the Council will have insufficient capital receipts to finance the capital programme so it will be forced to borrow.

Exhibit 10: Bank of England's analysis of real property prices^(a)
 Percentage changes on a year earlier



Sources: Halifax, Investment Property Databank, Nationwide, ONS and Thomson Datastream.

- (a) Deflated using RPI index which has been calculated from annual inflation rates prior to 1987. Data are non seasonally adjusted.
- (b) Average of the Halifax and Nationwide measures from 1983 onwards. Prior to that, the Nationwide measure alone is used. The published Halifax index has been adjusted in 2002 by the Bank of England to account for a change in the method of calculation.
- (c) Annual data up to 1988 are shown in the dashed line. Thereafter quarterly indices are the average of monthly observations.

6.4.3 The Housing Capital Programme (Appendix K) contains significant provisions for new affordable housing. The reason for this is that the Council resolved to retain receipts from the sale of housing land locally to fund affordable housing rather than pass them to the government pool. Refreshing the available capital receipts from the sale of the old civic offices site will be necessary to provide the cash to fulfil the funding of the affordable housing schemes as planned.

6.5 **Government Grant**

6.5.1 The Chancellor's last budget statement included the reassuring news that the Government intended to adhere to the 2010/11 Formula Grant funding previously announced in the three year settlement. However, the rapid deterioration in UK public finances makes the prospects of a freeze in Runnymede's entitlement after 2010/11, and possible even a reduction, more likely. Last year's Financial Forecast assumed that grant would increase by 2.5% each year from 2011/12. Assuming a cash freeze in this year's projection (i.e. a real-terms reduction) removes income growth of £140,000 each year and puts more pressure on the savings target.

6.5.2 As already noted in paragraph 4.8, government grant meets 56% of the cost of the net budget requirement in 2009/10. If grant does not increase, it means that the impact of inflation will fall entirely on the Council Tax. To put it another way: Council Tax pays for 44% of the General Fund budget (£4,389,200 in 2009/10) but will bear 100%

of the cost of inflation, forecast to add £1,870,000 to the General Fund budget requirement by 2014/15 (*Appendix H, line 21*).

6.6 Contributions to the Surrey Pension Fund

- 6.6.1 The Council contributes an amount equivalent to 16.3% of employee salaries to the Pension Fund to pay for the pension liabilities of current employees. In addition, it is making annual lump sum payments (known as backfunding contributions) to the Pension Fund to eliminate the accumulated Fund deficit over the next seventeen years. Together, these payments will cost the General Fund £2 million in 2009/10.
- 6.6.2 The Council's contributions to the Surrey Pension Fund are determined by the fund actuary and he calculates the amounts to be paid by each contributing body every three years. The next revaluation of the Pension Fund will take place on 31 March 2010 and will affect contributions for the three years commencing in 2011/12. Contributions to the Pension Fund after 2010/11 cannot be predicted with any confidence. They will be dependent on changes in life expectancy, the long-term returns on investments and any changes in the local government pension scheme regulations.
- 6.6.3 The reduction in share prices over the last year is likely to result in a large increase in the deficit of the Surrey Pension Fund when the Actuary undertakes the next triennial valuation in March 2010. Interim calculations undertaken by the Actuary when the stock market reached a low point earlier in the year suggested that employer contributions to the fund as a whole might have to increase by as much as 71%. Fortunately, share prices have risen since March 2009. However, if the Actuary's conclusions earlier this year were applied to Runnymede's share, it would result in additional annual contributions of £1.3 million from 2011/12. This compares with an additional provision of £100,000 in the current Financial Forecast. No Government is likely to tolerate additional costs of this magnitude falling on the public purse but the figures provide a clear warning that the existing provision in the Forecast is vulnerable.
- 6.6.4 A recent consultation letter issued by the Government (reported to the Corporate Management Committee on 3 September 2009) suggests that the Government will introduce Regulations giving administering authorities flexibility to decide on funding assumptions. This could potentially allow the Actuary to limit an increase in the contribution rate. The assumption in the Forecast is that political expedience will override financial prudence so that the additional revenue impact of the actuarial review will be limited to £100,000 in 2011/12 and 2014/15 (*page 57*).

EFFICIENCIES

- 7.1 Efficiency savings are a well-established part of the Runnymede culture. Managers are encouraged to consider innovative ways of providing best value for money and in the past this has embraced both outsourcing and bringing services in-house. The requirement to report annual efficiency savings to the Government between 2005 and 2008 therefore drew on initiatives that were already in place, particularly those initiatives that formed part of the revenue reductions exercise that the Council approved in 2005.
- 7.2 The introduction of the new national indicator NI 179 placed an obligation on the Council to report the “total net value of ongoing cash-releasing value for money gains that have impacted since the start of the financial year.” The Government required this information to be reported to taxpayers with their 2009/10 council tax bills for the first time. To confuse matters, the Council’s target of £350,000 had to be expressed as a percentage of both revenue and capital expenditure using a historic level of expenditure that was much higher than its actual budget. This produced a figure of 1.4% compared with the Government’s target of 3%.
- 7.3 Actual efficiencies reported under NI 179 in respect of 2008/09 totalled £639,600, equivalent to 2.6% of capital and revenue expenditure, calculated using the Government’s methodology.
- 7.4 The Government’s expectation is that local authorities ought to achieve annual efficiencies of 3%. Their target is likely to produce an annual efficiency target of £760,000 for 2010/11. This target includes efficiencies that relate to the Housing Revenue Account and capital schemes. Applying a 3% target to the General Fund net expenditure shown in Appendix H produces a figure of £360,000.
- 7.5 New projected savings in 2009/10 are set out below. These are included in the Financial Forecast.

Exhibit 11: Estimated new efficiency savings in 2009/10	£
Benefits visiting officer	8,000
Increased benefits transactions achieved with same resources	5,000
Restructuring hours/overtime at day centres	13,000
Closure of 2 day centres over Christmas	4,000
QEH closure	25,000
Community transport	10,000
Refuse rounds reorganised	26,000
Building Control - joint working	25,000
Civic Centre security	7,000
Council Tax postage costs	10,000
Partnership - increased management of A2 Dominion stock	4,000
Savings achieved with OGC buying solutions	20,000
Disposal of underutilised asset - Pinefields	38,000
	£195,000

- 7.6 The achievement of annual efficiencies will continue to make an important contribution to future savings targets but these will have to be identified in order to provide a management discipline. Asset disposals will be more difficult until the property market improves so this will place greater reliance on achieving other operational efficiencies.
- 7.7 A further point to be borne in mind is that not all efficiencies produce budgetary savings because some are used to pay for service enhancements that would otherwise require additional resources. The Council's "create/save" policy often had this objective so that more could be achieved without increasing the tax burden.
- 7.8 When considering future savings targets, the Council will need to decide to what extent cashable efficiencies are to contribute towards the total. For example, if the entire annual efficiency target of £360,000 is expected to produce budget reductions, service managers will need to understand that the efficiencies cannot be used to pay for new initiatives.
- 7.9 Efficiencies alone will not be sufficient to produce the budgetary savings necessary to achieve a balanced budget. This is because the main issue facing the Council is structural (the Council Tax is too low to support expenditure on services) rather than operational. However, efficiencies have the potential to contribute a substantial sum towards this objective. Identifying further efficiency savings, and implementing the steps necessary to achieve the efficiencies, will become increasingly difficult over time after the more straightforward measures have been delivered.

MAIN ISSUES AFFECTING THE GENERAL FUND FORECAST

The level of Council Tax and Capping

- 8.1 In 2009/10 the Government decided to cap local authorities if their budget requirement had increased by 4 per cent and their council tax increased by more than 5 per cent. The Government's decision to cap the Surrey Police Authority and reduce bills in Surrey by an average of 6 pence per week in 2009/10 underlined the Government's determination to take a firm line on restraining tax rises.
- 8.2 Over the last three years the forecast of future tax levels has been based on the assumption that the Government would apply sanctions if tax increases exceeded 5% each year. However, there is no guarantee that this capping threshold will continue. The Government may decide to reduce it. Over the last three years the Minister for Local Government has given a broad indication prior to budget setting of the maximum tax increase which the Government would tolerate. However, it is highly unlikely that the Government will publish precise details of their capping criteria before budgets are set because this runs the risk of encouraging many Councils to increase their tax by the maximum amount permitted and it could also reduce Minister's flexibility in deciding how many authorities to cap. So the risk for the Council in continuing its policy of raising the tax by 5% is that this will breach future capping thresholds now that the outlook for inflation is lower than it has been in the past. It should be remembered that when the Council was capped in 2005, the original tax increase of 17.5% and budget increase of 9.5% would have escaped capping if the Government had continued to apply the capping criteria it had used in 2004.
- 8.3 Even if the Council is allowed to continue increasing its tax by 5% (equivalent to 13 pence per week at Band D) this will restrict the amount that Runnymede is able to raise from the Council Tax to a level that will still be an estimated £53 less than the district average at the end of the Forecast period (2014/15). Without the ability to raise the tax to a more sustainable level, the Council will have no choice but to make reductions in net expenditure.

Revenue Reductions

- 8.4 The Council has regularly implemented savings programmes in order to reduce the pressure on tax increases. The last major exercise was in 2005, after the Council was capped by the Government, and this achieved revenue reductions of £2.4 million.
- 8.5 Following consideration of last year's Forecast, the Council approved a new package of measures designed to achieve revenue reductions of £712,000 by 2013/14. Corporate Management Committee subsequently set a target of reducing the General Fund budget by a further £1.5 million and has so far approved specific proposals totalling £653,000, bringing the total savings approved so far to £1,365,000. These are listed at Appendix D.

- 8.6 The task remains to identify additional savings of £847,000 in order to achieve the latest savings target. This is vital because without them the Forecast shows that working balances fall below the minimum level approved by Council in 2011/12.

Concessionary Bus Fares

- 8.7 Earlier this year the Government consulted on the transfer of responsibility for this service from district councils to county councils. If this were to take place, the cost of bus subsidies and administration would transfer to Surrey County Council along with the grant support that the Council receives from the Government. Runnymede receives a specific grant of £166,100 towards the cost of operating the national scheme but in addition to this there is an element within Formula Grant that relates to the core scheme. If the service were transferred it is possible that Formula Grant could be reduced by as much as £280,000. If this were to happen, the net cost of transfer (taking account of the reduction in expenditure) would be approximately £100,000. No allowance has been made for this development in the Forecast at this stage because the Government has not yet decided whether or not it wishes to proceed with the proposal. However, the potential cost to the Council is a risk which is included in the schedule of significant risks at paragraph 10.2.

Transfers from the Housing Revenue Account

- 8.8 The Local Government Act 1989 gives the Council the discretion to transfer balances from the Housing Revenue Account (HRA) to the General Fund provided that the HRA remains in surplus. The Council was able to transfer £3 million in 2006/07. The integrity of the HRA business plan was maintained by financing major improvement works totalling £3 million from capital receipts instead of HRA reserves. This injection of funds into General Fund working balances has extended the period that the General Fund can continue withdrawing from balances.
- 8.9 The importance of this £3 million transfer should not be underestimated. Without it, the General Fund working balance at the end of the current financial year would be £669,000 rather than the figure of £3,669,000 that is forecast. That would require immediate and radical cuts in spending.
- 8.10 Further transfers that do not impact on the HRA balance can only be contemplated if sufficient capital receipts are available to support the change in financing of the major improvement works without jeopardising the Council's ability to fund other priority schemes. There is no proposal in this report to make any further transfers from the HRA because future capital receipts are less than previously assumed and there is little flexibility to support additional financing of capital expenditure from receipts.

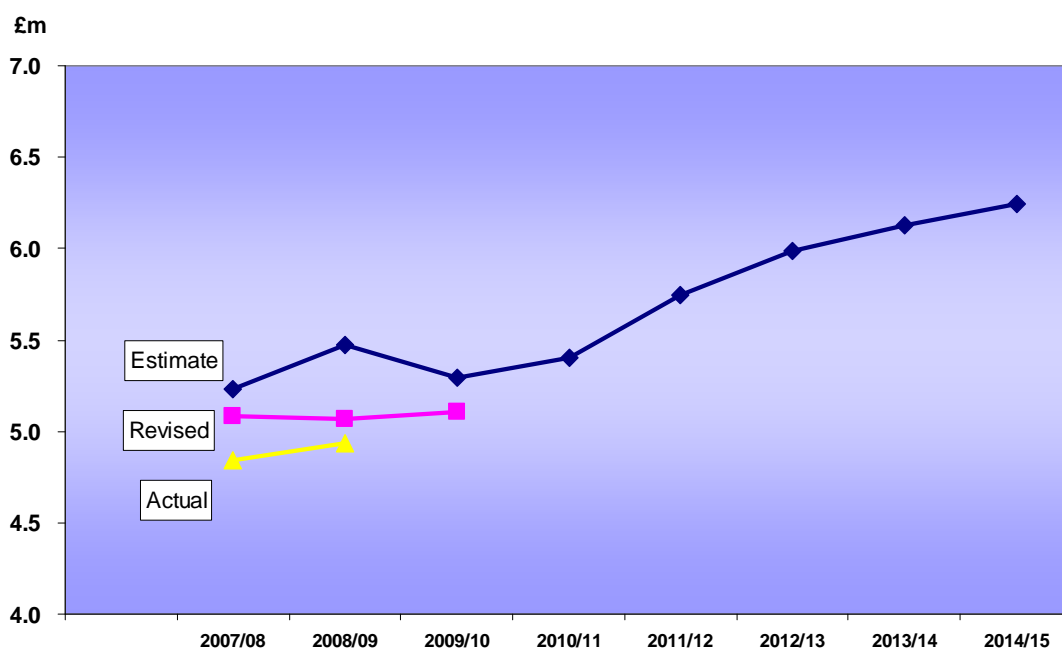
Reserves and Receipts

- 8.11 The statement on page 58 (Appendix I) summarises the use of the Council's reserves and receipts. It reflects the use of working balances to support General Fund spending and the use of capital receipts to finance the capital programme. General Fund working balances are forecast to be completely used during the lifetime of the five year Forecast. The Council could not allow its working balances to reduce to zero (see also paragraph 11.3) and identifying the remaining £847,000 of the Council's target savings is essential to avoid this happening.

Income from rents and charges

- 8.12 Income in the 2009/10 original estimate from property rents (£1.4 million) and fees and charges (£5.3 million) was more than Runnymede’s share of the Council Tax (£4.4 million). These sources of income have been an important part of the Council’s financial strategy but they are vulnerable to market volatility. The recession has resulted in a downturn in property related charges (land charges, development control fees) that has been reported in the Budget Book, the 2008/09 outturn report and monitoring statements. The Forecast provides for a recovery in these sources of income as the economy emerges from the recession.
- 8.13 Exhibit 12 illustrates the dip in fees and charges that has occurred in 2008/09 and 2009/10. It also serves as a reminder that the original budgets have not anticipated the depth of the recession. The forecast provides for a recovery in development control and land charges income and for increases in charges above the rate of inflation. This financial projection will be at risk if the recession is prolonged.

Exhibit 12: Fees and charges



Grants and contributions

- 8.13 The Council has been successful in attracting grants and contributions which have offset the cost of some initiatives. The Forecast includes the following income:

Exhibit 13: Grants & contributions included in base budgets

Details	£000	Income source
Home Improvement Service	55	Surrey CC
Housing Advice	8	Health Authority
Homelessness	40	Government
Community Meals Service and Day Centres	63	Surrey CC
Community Services Dial-a Ride Scheme	58	Surrey CC
Play and youth activities	41	Private sector £14k Lottery £27k
Chertsey Museum	69	Charitable Trust

Safer Runnymede	211	Government £142k Surrey Police £66k
Local Air Pollution	16	Government
Stray Dogs	10	
Refuse Collection	84	Surrey CC
Public Conveniences	2	
Housing and Planning Delivery Grant	121	Government
On Street Car Parking	143	Surrey CC
Yellow Bus Project	229	s106 agreements £169k Private sector £60k
Business Rate Collection	140	Government
Total		1,290

- 8.14 Financing services from this source introduces the risk that the grant may be withdrawn or that it is not increased in line with inflation. Where the Council has committed expenditure on the basis of this support, it will be important to ensure that any withdrawal of funding does not expose the Council to unplanned expenditure. A reduction in this support would increase the net expenditure falling on the General Fund unless corresponding reductions in expenditure could be achieved. The reliance on section 106 contributions to fund the yellow bus projects also carries the risk that the timing of these contributions may not coincide with the Council's expenditure.

Overall General Fund expenditure

- 8.15 Exhibit 14 summarises the changes that account for the difference between the 2009/10 Original Estimate and subsequent years shown in Appendix H. The potential risks to this Forecast are considered in section 10 on page 21.

Exhibit 14: Forecast Net General Fund Expenditure

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<u>Net General Fund Expenditure</u>						
2009/10 Original Budget	11,908	11,908	11,908	11,908	11,908	11,908
Planned underspends brought forward	201					
Developments	514	457	166	-28	-68	82
Planned savings	-195	-655	-858	-897	-937	-937
Change in contribution to reserves		10	10	10	10	10
LA Business Growth Incentive Grant	-45	-45	-45	-45	-45	-45
Impact of interest rate changes	100	100		-200	-200	-100
Revenue impact of use of reserves/recs		300	200	100	100	200
Inflation (net)		20	290	610	940	1,270
Total (see page 39, line 23)	12,483	12,095	11,671	11,458	11,708	12,388

CAPITAL PROGRAMME

- 9.1 The capital programme (Appendices J and K) is based on the approved Capital Strategy and other policy documents. The revenue consequences of the programme are reflected within the Financial Forecast.
- 9.2 The Local Government Act 2003 introduced the concept of “prudential borrowing” and the constraint on capital expenditure has now become a test of whether the implications on the level of Council Tax or on HRA balances are acceptable and affordable.
- 9.3 The financing statement for non-housing schemes on page 63 shows that almost 90% of the capital programme will be financed by the use of capital receipts. The General Fund earns interest on all capital receipts, even when they are derived from the disposal of housing assets, so spending capital receipts reduces investment income for the General Fund.
- 9.4 The housing capital programme emphasises the importance placed by the Council in enabling the provision of new affordable housing. This will increasingly rely on adequate and timely government grants to the Council’s RSL partners to finance schemes. Funding from Council resources is met from housing capital receipts that would otherwise have to be passed to the Government pool (see paragraph 6.4.3).
- 9.5 Every £1 million of capital expenditure costs £50,000 in reduced investment income. While the Council needs to be satisfied that the capital programme adequately reflects Council policies and priorities, this must be reconciled with the overall affordability of the programme.
- 9.6 Over the last two years the Council has scaled back the capital programme in order to limit the revenue impact on the General Fund and to preserve the value of savings produced by the sale of assets that were part of the revenue reductions exercise. This entailed the deletion or deferral of all schemes that were classified as Priority 3 or Priority 4 against the criteria specified in the Capital Strategy. As a result, most schemes in the capital programme are either asset replacements or are being financed from external sources. The scope for reducing the capital programme further is limited.
- 9.7 It has been the Council’s practice over the last twenty years to finance most of its capital programme from capital receipts (mainly derived from the disposal of land). Achieving debt free status in 1993 provided the Council with greater freedom to determine its spending priorities under the capital controls that existed at that time and financing capital expenditure from receipts was cheaper than borrowing. Under the present rules, the Council is not prevented from borrowing but has to demonstrate affordability and value for money. The capital programme at Appendix J is dependent on a flow of capital receipts to fund the programme. If receipts are delayed, the Council may be forced to borrow,

RISKS

- 10.1 This report has explained the key assumptions that have been made in order to arrive at the financial projections set out in Appendices H to J.
- 10.2 However, there is considerable uncertainty in the forecast because the information currently available about developments over the next five years is at best partial. The significant areas of risk are listed in the table below. This expresses the impact in terms of its effect on the level of Council Tax (very roughly, additional costs of £33,000 will add £1 to the Council Tax).

Exhibit 15: Potential risks to the financial forecast

Subject	Risk / Opportunity	Impact on Council Tax (to nearest £)	Impact on savings target
Asset disposals	The deterioration in the property market may delay or reduce any sale proceeds. A £4m reduction would reduce investment income by approximately £200,000.	£6	+£200,000
Commercial property rents	Increased or reduced voids	+/- £2	+/- £60,000
Concessionary Fares	The Government is considering the transfer of responsibility for the service to the County Council with effect from 2010/11. Taking into account the potential reduction in grant, this may increase net expenditure by £100,000 (paragraph 8.7).	£3 ?	+£100,000
Contaminated land	Identification of contaminated land may require addition consultancy or affect asset disposals.	+ £1?	+ £35,000?
Economic rebound	A 10% upturn in the local property market could increase income from planning applications, building control fees and land charges by £100,000 earlier than expected.	- £3	-£100,000
Formula Grant	A 1% betterment or deterioration in the grant settlement after 2010/11.	+/- £2	+/- £60,000
Grants and contributions	A 5% reduction in direct grants or contributions that the Council receives towards the cost of services.	£2	+£65,000
Homelessness	The current financial crisis may result in a rise in repossessions with a consequent increase in homelessness costs falling on the Council.	+£2 ?	+£60,000
Inflation	The Forecast provides for inflation of ½% on pay and 1% on prices in 2010/11 and 2% thereafter. Every additional ½% costs £100,000 per annum.	£3	+£100,000
Interest rates	½% change will alter investment income by approximately £70,000.	+/- £2	+/-£70,000

Exhibit 15: Potential risks to the financial forecast

Subject	Risk / Opportunity	Impact on Council Tax (to nearest £)	Impact on savings target
Pension Fund deficit	The Forecast provides for increased annual contributions of £100k from 2011/12. Changes in actuarial assumptions, fund performance or the national scheme could result in greater deficits. For example, a 10% deterioration would add £250k p.a.	£8	+£250,000
Housing and Planning Delivery Grant	If grant is withdrawn, there may be a delay in reducing expenditure by a corresponding amount.	£5	+£170,000
Recycling	Potential costs of increased targets	£2	+£70,000
Revenue reductions	The latest programme of revenue reductions is challenging. There is a risk of underachieving the savings target.	+£6?	+£200,000
Sports centre income	Changes in the number of users due to competition or lifestyle will affect the ELC recovery plan and the Addlestone business plan.	+/- £3	+/- £100,000
Best Case			-£390,000
Worst Case			+£1,540,000

10.3 Because the Council is constrained in its ability to raise the Council Tax, any increase in expenditure will have to be met by corresponding savings rather than tax rises.

POLICY CONSIDERATIONS

General Fund working balances

- 11.1 The Forecast has been prepared assuming that future tax increases will be no more than 5% so that the Council does not breach the Government's capping limit. The General Fund Forecast Summary on page 39 shows that this continues to require withdrawals from working balances to support the budget.
- 11.2 Council policy is to maintain a minimum working balance of £1.5 million for the reasons set out in Appendix F. Even allowing for the new programme of savings, the withdrawal from balances each year is forecast to result in working balances falling below the Council's minimum threshold in 2011/12. Since increases in the Council Tax are likely to remain constrained, spending must be reduced further.
- 11.3 At a time when the Council is facing greater budgetary pressures (for example, income shortfalls and additional demand for services), it is not considered appropriate to relax the criteria for holding working balances. It is under these circumstances that financial contingencies become more necessary. ***The Council is therefore recommended to continue its policy of maintaining a minimum working balance of £1.5 million.***

Council Tax

- 11.4 Appendix E on page 34 illustrates in the left column the effect of 5% tax increases. The use of working balances is also shown for each year of the forecast. This is the basis on which the figures in Appendix H have been prepared.
- 11.5 Notwithstanding the fact that Runnymede's tax is low by comparison both with other Surrey districts and the rest of the country, there is a risk that the Government may decide to impose tighter restrictions on council tax increases. This would have severe consequences for the Council's financial strategy. For example, the chart on the right in Appendix E shows that if future tax increases are restricted to 3%, the Council will run out of working balances in 2013/14. This would require further budget cuts on top of the target reductions already approved.
- 11.6 There seems little likelihood that the Government will relax future capping criteria to allow the Council to increase the tax by more than 5% so that it reaches a more realistic and sustainable level. For the purposes of planning savings targets and future service levels, Officers believe that the Council should continue to pursue a strategy of increasing the Council Tax by 5% each year, even though there are considerable uncertainties over the Government's future intentions. ***The Council is therefore recommended to continue increasing the Council Tax by 5% each year.*** The Committee is requested to indicate if an alternative tax strategy is to be pursued.

Revenue Reductions

- 11.7 The Forecast already includes savings of £1,365,000 associated with the package of revenue reductions approved in December 2008 and September 2009 (paragraph 8.5 and Appendix D).

- 11.8 The Council has set a target of realising further savings of £847,000 each year (see paragraph 8.5) in order to reduce the withdrawal from working balances and give the General Fund budget more long-term sustainability. A report will be submitted to the next meeting of the Corporate Management Committee on 26 November 2009 in which proposals for achieving these additional savings will be considered.

Other revenue variations

- 11.9 Anticipated variations are detailed against each service area in Appendix H. ***The Committee is requested to indicate whether or not it is content with each of these developments.***

Capital programme

- 11.10 The capital programme is presented at Appendices J and K. ***The Council is recommended to approve the capital programme.***

CONCLUSIONS

- 12.1 The threat of capping by the Government prevents the Council from increasing its tax to a more sustainable level. Until the Council was capped in 2005/06 it had been assumed that the Council would be able to increase its tax to the district average to pay for services. The imposition of a cap removed this flexibility and means that the Council has to reduce its expenditure further in order to keep within what are assumed will be the Government's future capping restrictions. This restricts the Council's tax to a level that is well below our Surrey neighbours and similar local authorities throughout England.
- 12.2 The most significant feature of the Forecast continues to be the need to reduce spending over the medium term to a level that matches income from Council Tax and government grant. However, although the Council still has the benefit of being able to phase in the required savings, the time available is now much shorter than reported in previous Forecasts. Planning for savings is time critical if proposals are to be implemented in an orderly fashion.
- 12.3 Action is required to produce a sustainable financial position over the next five years. The Council has approved two further tranches of revenue reductions totalling £1,365,000 but it will need to decide how it is going to achieve the remaining target of £847,000 if it is going to reduce the budget to a level that can be funded by the Council Tax and Government grant in the long-term.

Value for money

- 12.4 The Council's service delivery is underpinned by five key objectives in "Making a Difference":-
- be sensitive to the needs of all in Runnymede in ensuring access to our services
 - be well managed and provide value for money
 - pursue further opportunities for joint working with partner organisations
 - secure recognised accreditation standards in appropriate service areas, and
 - maintain high resident and user satisfaction ratings for our services.

The strategies adopted by the Council and reflected in the Financial Forecast describe how these objectives will be achieved.

- 12.5 Council policy is to strive to provide high quality services while maintaining its Council Tax below comparable authorities. The last Annual Audit and Inspection Letter issued in March 2009 reported that 48% of the Council's performance indicators are in the top quartile compared with the district council average of 33%. The latest use of resources conclusion issued by the Council's external auditors (KPMG LLP) in September 2009 reported that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009. The plans set out in this Forecast are intended to maintain this position in future.

- 12.7 Runnymede's Council Tax of £132.93 is the sixth lowest in the country for district services in 2009/10. Applying a 5% tax increase each year will increase the tax to £169.74 by 2014/15. Assuming that districts generally increase their taxes each year by inflation, this will still make Runnymede's tax considerably less than the district average by the end of the period covered in this Forecast. This will continue to offer residents value for money for the range and quality of services provided.

RECOMMENDATIONS

*Paragraph
reference*

OFFICERS' RECOMMENDATION that -

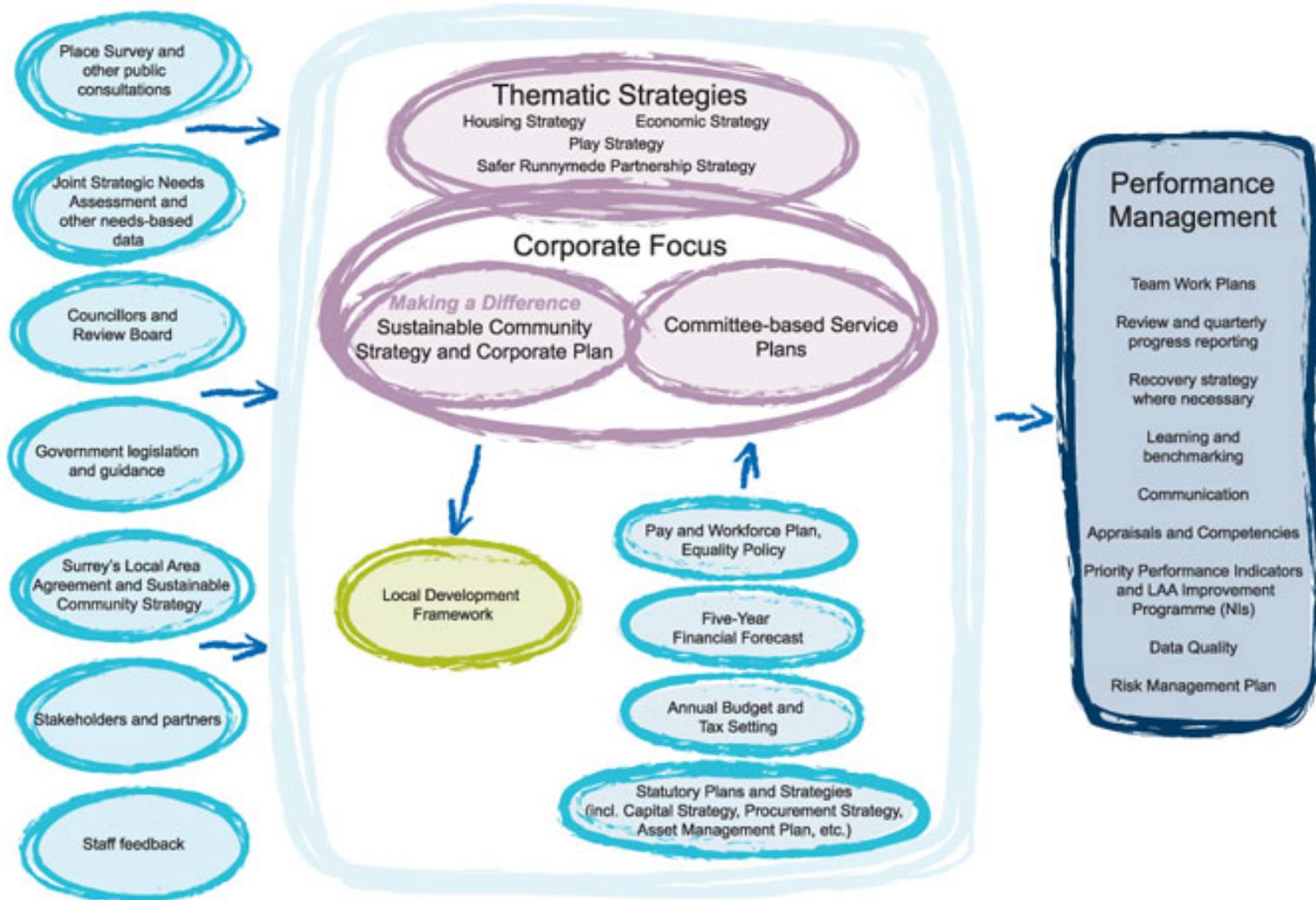
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| i) the policy of maintaining a minimum working balance of £1.5 million is reaffirmed; | <i>11.3</i> |
| ii) budgets are prepared on the basis of future Council Tax of 5%; | <i>11.6</i> |
| ii) the Committee indicate whether or not it is content with the revenue developments identified for each service in Appendix H; | <i>11.9</i> |
| iv) the General Fund and Housing capital programmes be approved; | <i>11.10</i> |
| v) the Financial Forecast for the five year period to 2014/15 be approved; | |
| vi) the Forecast forms the basis for drawing up detailed service budgets for 2010/11; and | |
| vii) the Committee note that a detailed report will be submitted to the next meeting of the Corporate Management Committee with proposals to achieve further annual revenue reductions of £847,000. | <i>11.8</i> |

(TO RECOMMEND)

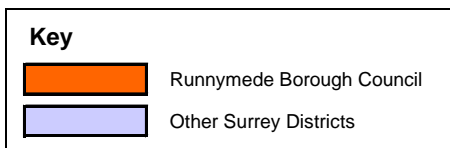
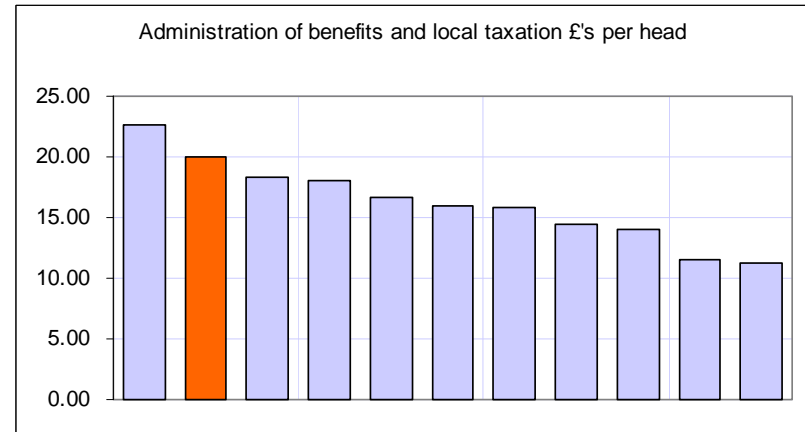
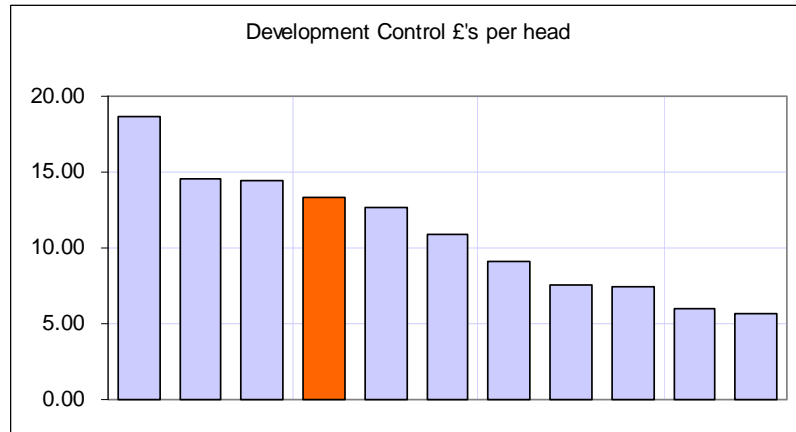
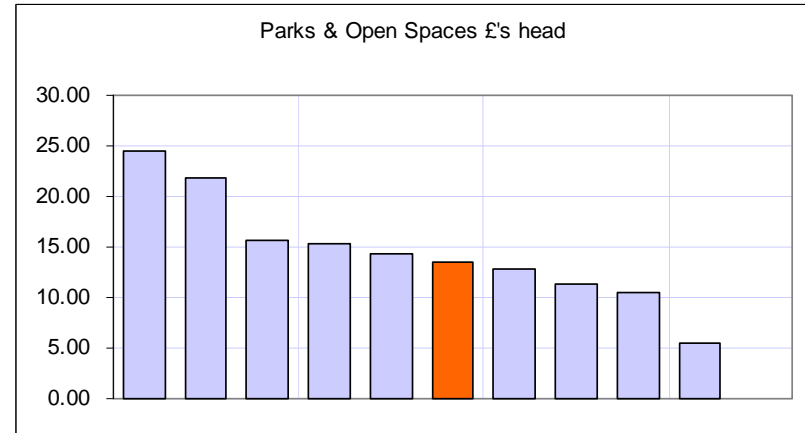
NOTES ON THE PRESENTATION OF THE FIGURES

1. *Inflation*
All the detailed figures for General Fund services are shown at 2009/10 prices with inflation added as one line on the General Fund summary (*page 39, line 21*). This enables changes in service expenditure to be compared at constant prices.
2. *Net expenditure on services*
For each service area there is a summary of the revenue cost centres on one page followed by an analysis of the revenue developments on the facing page which provides a reconciliation between the base budget and the forecast expenditure (for example, the forecast for the Housing Services on page 40 has all the projected changes and developments analysed on page 41).
3. *Demand for Council services*
Demand for Council services that has fluctuated with the economic cycle in the past has affected income from Development Control, Building Control, and Land Charges. The forecast provides for a recovery in development control income (*page 51*) and land charges income (*page 57*) with effect from 2011/12. However, current levels of demand for other services have been assumed throughout the forecast.
4. *Contracted services*
The cost of contracted services has been based on current contractual terms, with no provision for higher or lower contract sums on contract renewal with the exception of the recycling contract.

Strategy, Planning and Performance Management Framework

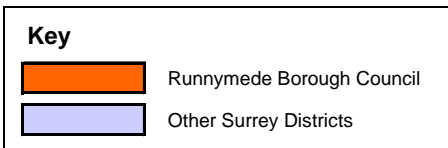
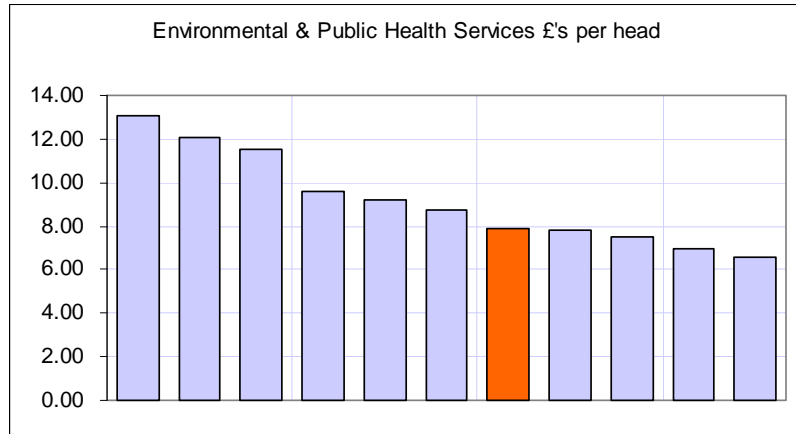
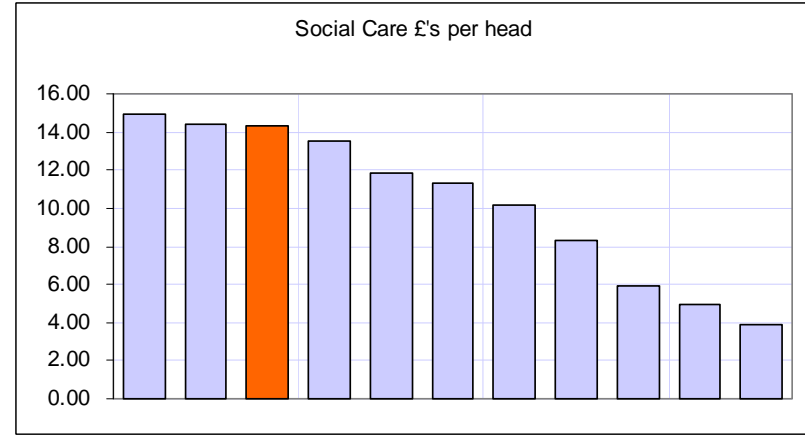


COMPARISONS OF 2009/10 BUDGETS WITH OTHER SURREY DISTRICTS (Page 1)



Source: CIPFA Finance and General Statistics 2009/10

COMPARISONS OF 2009/10 BUDGETS WITH SURREY DISTRICTS (Page 2)



Source: CIPFA Finance and General Statistics 2009/10

STATEMENT SHOWING THE TARGET SAVINGS APPROVED IN DECEMBER 2008 AND SEPTEMBER 2009

TARGET SAVINGS

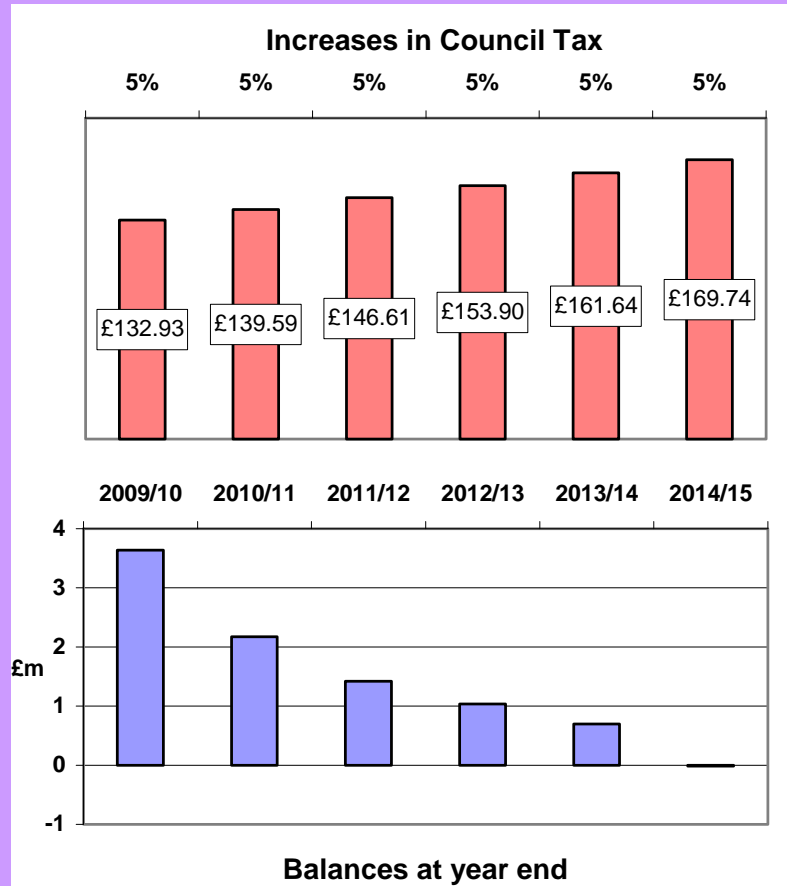
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£	£
Approved December 2008						
1 Safer Runnymede - increased subscriptions		30,000	30,000	30,000	30,000	30,000
2 Joint working		50,000	50,000	50,000	50,000	50,000
3 Reduced catering subsidy	5,000	5,000	5,000	5,000	5,000	5,000
4 Committee/Admin restructure	15,000	15,000	15,000	15,000	15,000	15,000
5 Land Charges - reduced volumes		5,000	5,000	10,000	10,000	10,000
6 Defer parking machine replacement contribution	10,000	10,000				
7 Reduced strategic maintenance provision	78,000	50,000	50,000	50,000	50,000	50,000
8 Review of asset management plan		25,000	25,000	25,000	125,000	125,000
9 Further procurement savings	15,000	15,000	15,000	15,000	15,000	15,000
10 Provision for restructuring opportunities	20,000	40,000	60,000	80,000	100,000	100,000
11 5% reduction in grants budget	10,000	10,000	20,000	20,000	20,000	20,000
12 Revenues restructuring				20,000	20,000	20,000
13 QEH disposal to GPs	25,000	25,000	25,000	25,000	25,000	25,000
14 Revenue impact of reduced capital spend	5,000	5,000	5,000	5,000	5,000	5,000
15 Rationalisation of community transport fleet	10,000	10,000	10,000	10,000	10,000	10,000
16 CEO efficiency savings	5,000	5,000	5,000	5,000	5,000	5,000
17 10% reduction in overtime		15,000	15,000	15,000	15,000	15,000
18 ELC savings from football pitches	45,000	45,000	45,000	45,000	45,000	45,000
19 Discretionary income increased above inflation	10,000	15,000	15,000	45,000	45,000	45,000
20 Reduced expenditure at Leisure Centres	5,000	5,000	5,000	5,000	5,000	5,000
21 Rationalisation of marketing at Leisure Centres	6,000	6,000	6,000	6,000	6,000	6,000
22 Reduced cost of public notices		25,000	25,000	25,000	25,000	25,000
23 Deletion of DTS administrative post	15,000	15,000	15,000	15,000	15,000	15,000
24 Out of hours noise service	10,000	10,000	10,000	10,000	10,000	10,000
25 Increased income from Community Halls – better utilisation	15,000	15,000	15,000	15,000	15,000	15,000
26 Leisure development and tourism/"Visit Surrey" subscription	10,000	10,000	10,000	10,000	10,000	10,000
27 Safer Runnymede speed camera initiative	4,000	4,000	4,000	4,000	4,000	4,000
28 Teleonomy surveys	2,000	2,000	2,000	2,000	2,000	2,000
29 Trade Refuse - restructuring charges	30,000	30,000	30,000	30,000	30,000	30,000
	£350,000	£497,000	£517,000	£592,000	£712,000	£712,000
Approved September 2009						
30 Training budget	15,000	15,000	15,000	15,000	15,000	15,000
31 July 2009 pay award	120,000	160,000	160,000	160,000	160,000	160,000
32 Suspending PRP		150,000	150,000			
33 July 2010 pay award		153,000	204,000	204,000	204,000	204,000
34 Council Tax and Business Rates	13,000	13,000	13,000	13,000	13,000	13,000
35 Publications		1,000	1,000	1,000	1,000	1,000
36 Inflation on prices		100,000	100,000	100,000	100,000	100,000
37 Close 2 day centres over Christmas		4,000	4,000	4,000	4,000	4,000
38 Day centre staffing		13,500	13,500	13,500	13,500	13,500
39 Community alarms		10,000	10,000	10,000	10,000	10,000
40 Community alarms		2,000	2,000	2,000	2,000	2,000
41 Community alarms	2,000	2,000	2,000	2,000	2,000	2,000
42 Cemeteries		20,000	20,000	20,000	20,000	20,000
43 Benefits external audit fee	10,000	10,000	10,000	10,000	10,000	10,000
44 Benefits visiting officer	17,000	17,000	17,000	17,000	17,000	17,000
45 Licensing general office expenses	1,500	1,500	1,500	1,500	1,500	1,500
46 Car Park equipment	5,000	5,000	5,000	5,000	5,000	5,000
47 Democratic Representation	4,000	4,000	4,000	4,000	4,000	4,000
48 Council Tax postage	10,000	10,000	10,000	10,000	10,000	10,000
49 New capital receipts			41,000	61,000	61,000	61,000
	197,500	691,000	783,000	653,000	653,000	653,000
Further savings required to achieve the Council's target				847,000	847,000	847,000
TOTAL	547,500	1,188,000	1,300,000	2,092,000	2,212,000	2,212,000

STATEMENT SHOWING PROGRESS IN ACHIEVING THE TARGET SAVINGS

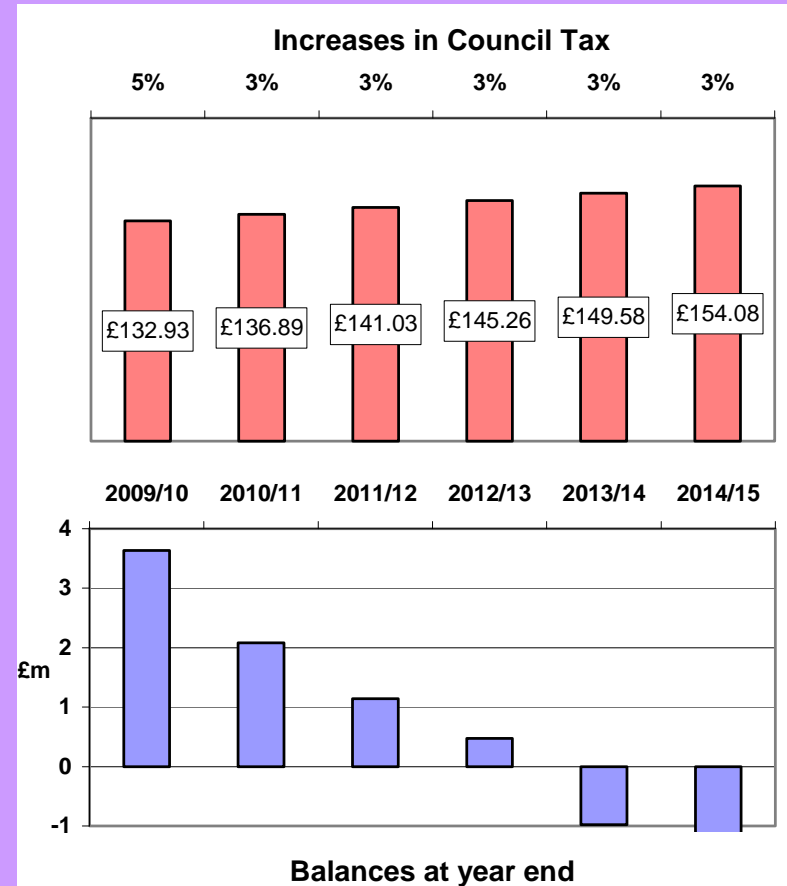
Progress in achieving target savings

	Savings included in the Financial Forecast					
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£	£
1 Safer Runnymede - increased subscriptions		30,000	30,000	30,000	30,000	30,000
2 Joint working		50,000	50,000	50,000	50,000	50,000
3 Reduced catering subsidy	4,600	5,000	5,000	5,000	5,000	5,000
4 Committee/Admin restructure	15,000	15,000	15,000	15,000	15,000	15,000
5 Land Charges - reduced volumes		5,000	5,000	10,000	10,000	10,000
6 Defer parking machine replacement contribution	10,000	10,000				
7 Reduced strategic maintenance provision	3,000	50,000	50,000	50,000	50,000	50,000
8 Review of asset management plan		25,000	25,000	25,000	125,000	125,000
9 Further procurement savings	15,000	15,000	15,000	15,000	15,000	15,000
10 Provision for restructuring opportunities	20,000	40,000	60,000	80,000	100,000	100,000
11 5% reduction in grants budget	10,000	10,000	20,000	20,000	20,000	20,000
12 Revenues restructuring				20,000	20,000	20,000
13 QEH disposal			25,000	25,000	25,000	25,000
14 Revenue impact of reduced capital spend	2,000	5,000	5,000	5,000	5,000	5,000
15 Rationalisation of community transport fleet	10,000	10,000	10,000	10,000	10,000	10,000
16 CEO efficiency savings	5,000	5,000	5,000	5,000	5,000	5,000
17 10% reduction in overtime		15,000	15,000	15,000	15,000	15,000
18 ELC savings from football pitches		45,000	45,000	45,000	45,000	45,000
19 Discretionary income increased above inflation	10,000	15,000	15,000	45,000	45,000	45,000
20 Reduced expenditure at Leisure Centres	5,000	5,000	5,000	5,000	5,000	5,000
21 Rationalisation of marketing at Leisure Centres	6,000	6,000	6,000	6,000	6,000	6,000
22 Reduced cost of public notices		25,000	25,000	25,000	25,000	25,000
23 Deletion of DTS administrative post	15,000	15,000	15,000	15,000	15,000	15,000
24 Out of hours noise service	10,000	10,000	10,000	10,000	10,000	10,000
25 Increased income from Community Halls – better utilisation	15,000	15,000	15,000	15,000	15,000	15,000
26 Leisure development and tourism/"Visit Surrey" subscription	10,000	10,000	10,000	10,000	10,000	10,000
27 Safer Runnymede speed camera initiative	5,500	4,000	4,000	4,000	4,000	4,000
28 Teleonomy surveys	1,500	2,000	2,000	2,000	2,000	2,000
29 Trade Refuse - restructuring charges	30,000	30,000	30,000	30,000	30,000	30,000
30 Training budget	15,000	15,000	15,000	15,000	15,000	15,000
31 July 2009 pay award	120,000	160,000	160,000	160,000	160,000	160,000
32 Suspending PRP		150,000	150,000			
33 July 2010 pay award		153,000	204,000	204,000	204,000	204,000
34 Council Tax and Business Rates	13,000	13,000	13,000	13,000	13,000	13,000
35 Publications		1,000	1,000	1,000	1,000	1,000
36 Inflation on prices		100,000	100,000	100,000	100,000	100,000
37 Close 2 day centres over Christmas		4,000	4,000	4,000	4,000	4,000
38 Day centre staffing		13,500	13,500	13,500	13,500	13,500
39 Community alarms		10,000	10,000	10,000	10,000	10,000
40 Community alarms		2,000	2,000	2,000	2,000	2,000
41 Community alarms	2000	2000	2000	2000	2000	2000
42 Cemeteries		20,000	20,000	20,000	20,000	20,000
43 Benefits external audit fee	10,000	10,000	10,000	10,000	10,000	10,000
44 Benefits visiting officer	17,000	17,000	17,000	17,000	17,000	17,000
45 Licensing general office expenses	1,500	1,500	1,500	1,500	1,500	1,500
46 Car Park equipment	5,000	5,000	5,000	5,000	5,000	5,000
47 Democratic Representation	4,000	4,000	4,000	4,000	4,000	4,000
48 Council Tax postage	10,000	10,000	10,000	10,000	10,000	10,000
49 New capital receipts			41,000	61,000	61,000	61,000
Total savings included in the Financial Forecast	400,100	1,163,000	1,300,000	1,245,000	1,365,000	1,365,000
Savings target	547,500	1,188,000	1,300,000	2,092,000	2,212,000	2,212,000
Shortfall between the Financial Forecast and the Target	-147,400	-25,000	0	-847,000	-847,000	-847,000

TAX INCREASES NO MORE THAN 5%



TAX INCREASES OF 3%



GENERAL FUND REVENUE RESERVES

CALCULATION OF THE MINIMUM REQUIREMENT

The Local Government Act 2003 requires the Director of Finance to report on the adequacy of financial reserves when consideration is given to the General Fund budget requirement for the year.

Under the Local Government Finance Act 1988, all balances held by the Council are at the direct disposal of the General Fund with the exception of the Housing Revenue Account balance, the Collection Fund and those funds held in trust.

The minimum recommended level of unallocated General Fund reserves is based on an assessment of the following risks and uncertainties using 2009/10 estimates as the basis of the calculations:

Item	Description	Calculation basis		Total £000
		Base £000	%	
1	Provision for cash flow on expenditure items			
	Net General Fund Expenditure in 2009/10	11,908	2	238
2	Provision for shortfall in major income budgets			
	Arising from, for example, economic downturn:			
	Planning Fees	453	15	68
	Building Control Fees	361	15	54
	Local land charges	220	15	33
	Car Park income	605	10	61
	Corporate property rents	1,145	15	172
	Sports centre income	1,426	15	214
	Recycling and Green waste collection income	622	10	62
	Trade refuse collections (net of disposal cost)	276	15	41
		<u>5,108</u>		<u>705</u>
3	Provision for uninsured risks			
	Based on maximum stop-loss			100
4	Emergencies			
	Cost of major incident (not covered by Bellwin scheme reimbursement)			100
	Business contingencies (disaster recovery)			100
5	Planning appeals and enquiries			
	Estimated cost of a major inquiry			150
6	Potential additional service expenditure (not provided for in base budget)			
	Homelessness budget			50
	Environmental budgets (air quality, pollution, etc)			50
				<u>100</u>
				<u>1,493</u>

GLOSSARY OF TERMS

Audit Commission	The Audit Commission is an independent public body, established by an Act of Parliament, responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services.
Business Rates	Also known as National Non Domestic Rates (or NNDR), Business Rates are payable on all non-domestic properties. The amount due is collected by the Council and paid over to a national pool which is redistributed to all Authorities on a population basis.
Capital Assets	Land, buildings and other assets whose benefit to the Authority exceeds one year.
Capital Charges	A calculation of the annual costs (included within the revenue accounts) of using capital assets. This includes asset rentals and, where appropriate, depreciation charges.
Capital Expenditure	Expenditure on Capital Assets.
Capital Receipts	Receipts from the sale of Capital Assets.
Capping	A system of controlling the budgets of local authorities whereby central government can limit a local authority's budget requirement if they consider it to be excessive.
Council Tax	The Council Tax is charged on all domestic properties in the Borough and will vary according to which Band the property has been placed in. Discounts will be applied to the charge if there are less than two liable adults living in the property.
Department of Communities and Local Government (DCLG)	The Government department that sets UK policy on local government, housing, urban regeneration, planning and fire and rescue.
Formula Grant	The amount paid by the Government in support of the Council's annual budget requirement. It comprises Revenue Support Grant and redistributed Business Rates .

Formula Spending Share (FSS)	The amount calculated by the Government which is a way of dividing up the national Total Assumed Spending between local authorities. This is not an assessment of the Council's real need to spend but an assessment of its relative entitlement to Formula Grant compared with all other authorities.
General Fund	The fund to which all the Council's revenue expenditure is charged. The Housing Revenue Account is a "ring fenced" part of the General Fund. Net expenditure on the General Fund is met from the Council Tax and Formula Grant from the Government.
Housing Revenue Account (HRA)	A statutory account which deals with matters relating to Council Housing, the cost of which is borne by the tenants.
Investment Income	Income from interest receipts on investments held by the Council. The level of investment income is proportional to the level of reserves held and prevailing interest rates.
National Non Domestic Rates (NNDR)	Another name for Business Rates (see above).
Reserves	These are balances in hand that have accumulated over previous years and are held for defined purposes. The level and purpose of the reserves are regularly reviewed by the Council.
Revenue	Income and expenditure relating to the day to day running costs of the Authority.
RSL	Registered social landlord
Specific grants	Grants paid direct to local authorities in respect of particular services or projects. Most specific grants are ringfenced.

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GENERAL FUND REVENUE ACCOUNT FORECAST SUMMARY

	ACTUAL 2008/09 £'000	ORIGINAL 2009/10 £'000	PROBABLE 2009/10 £'000	BUDGET 2010/11 £'000	FORECAST 2011/12 £'000	FORECAST 2012/13 £'000	FORECAST 2013/14 £'000	FORECAST 2014/15 £'000	NOTES
1. Service Expenditure									
2. Housing Services	1,376	1,354	1,379	1,324	1,331	1,294	1,294	1,294	
3. Community Services	1,884	1,889	1,885	1,842	1,827	1,827	1,827	1,827	
4. Leisure Services	3,780	3,506	3,709	3,613	3,579	3,538	3,518	3,518	
5. Environmental Services	3,591	3,623	3,780	3,860	3,811	3,780	3,780	3,780	
6. Licensing & Regulatory	124	126	124	125	125	125	125	125	
7. Planning Services	1,686	1,859	1,910	1,829	1,627	1,577	1,587	1,587	
8. Highways and Infrastructure	613	639	643	619	619	619	619	619	
9. Economic Development	643	366	545	290	136	-43	-43	-43	
10. Corporate & Business Services	3,679	3,518	3,425	3,180	3,133	3,238	3,168	3,318	
11. Capitalisation of Building Works	-178	-143	-143	-143	-143	-143	-143	-143	
12. Net Expenditure on Services	17,198	16,737	17,257	16,539	16,045	15,812	15,732	15,882	
13. Asset Management Revenue Account									
14. - Transfer to Replacement Reserv	314	314	314	324	324	324	324	324	£10k added for car park machines
15. - Reversal of Capital Charges	-4,269	-4,320	-4,320	-4,320	-4,320	-4,320	-4,320	-4,320	
16. Investment Income	-1,339	-800	-700	-400	-600	-900	-900	-700	3.5% 09/10, 3% 10/11; 4% 11/12; 5% 12/13
17. Performance Reward Grant	15								
18. LA Business Growth Incentive Grant	-88		-45	-45	-45	-45	-45	-45	Grant to distribute growth in business rate income
19. Area Based Grant	-23	-23	-23	-23	-23	-23	-23	-23	
20. Accounting accruals and tax refund	-337								
21. Inflation			-	140	530	970	1,420	1,870	0.5% pay + 1% prices in 2010/11; 2% thereafter
22. Inflationary increase in income				-120	-240	-360	-480	-600	
23. Net General Fund Expenditure	11,471	11,908	12,483	12,095	11,671	11,458	11,708	12,388	
24. Use of Working Balance	-1,954	-2,069	-2,644	-1,841	-1,154	-667	-625	-997	
25. Budget Requirement	9,517	9,839	9,839	10,254	10,517	10,791	11,083	11,391	
26. Formula Grant	-5,365	-5,482	-5,482	-5,620	-5,620	-5,620	-5,620	-5,620	Government grant and Non Domestic Rates
27. Transfer to the Collection Fund	46	32	32						RBC share of the Collection Fund deficit
28. Net Demand	4,198	4,389	4,389	4,634	4,897	5,171	5,463	5,771	
29. Council Tax	£126.81	£132.93	£132.93	£139.59	£146.61	£153.90	£161.64	£169.74	
30. Increase in Council Tax				5.00%	5.00%	5.00%	5.00%	5.00%	
31. Increase in budget requirement				4.22%	2.56%	2.61%	2.71%	2.78%	
32. Working Balances at year end	6,044	3,912	3,637	2,172	1,419	1,037	697	-15	See Appendix I on page 58

APPENDIX H

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	ACTUAL	ORIGINAL	PROBABLE	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	
	2008/09	2009/10	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	NOTES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Housing Services</u>									
<u>Runnymede Renewal</u>									
Private Sector Renewal Assistance	80	85	85	85	85	85	85	85	
Care and Repair Service	9	43	43	41	38	36	36	36	
Housing Enforcement	89	94	94	94	94	94	94	94	
<u>Homes First</u>									
Housing Strategy & Enabling	240	184	184	159	169	134	134	134	
Housing Advice & Register	239	259	265	259	259	259	259	259	
Homelessness	83	109	109	109	109	109	109	109	
Gypsy Caravan Sites	-26	-27	-27	-27	-27	-27	-27	-27	
Housing Advances	1	1	1	1	1	1	1	1	
<u>Benefits Service</u>									
Housing and Council Tax Benefits	661	606	625	603	603	603	603	603	
Service Total	1,376	1,354	1,379	1,324	1,331	1,294	1,294	1,294	

GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
Housing Services							
2009/10 Estimate	1,354	1,354	1,354	1,354	1,354	1,354	
Developments							
Enabling Role							
- needs survey			35				Provision every three years. Next required in 2011/12
- private sector stock condition survey							Provision every six years. Next required in 2014/15
Housing redevelopment resource		-25	-50	-50	-50	-50	Annual Pay & Workforce Plan 2006 (3 year resource)
Benefits - reduced subsidy from DWP		24	24	24	24	24	DWP "efficiency" savings grant reduction
Savings							
Increase charges by 3% more than inflation			-1	-1	-1	-1	Care and Repair Service
Care and Repair Service - potential savings		-2	-4	-6	-6	-6	Arms length service with Woking
Reduce provision for audit of benefit subsidy claim	-10	-10	-10	-10	-10	-10	
Delete part-time benefits visiting officer post	-8	-17	-17	-17	-17	-17	
2008/09 Planned Underspends Brought Forward							
Benefits administration - purchase of software	37						
Housing Register - choice based lettings	6						Implementation delayed until 2009/10
	1,379	1,324	1,331	1,294	1,294	1,294	

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	PROBABLE 2008/09	ORIGINAL 2009/10	PROBABLE 2009/10	BUDGET 2010/11	FORECAST 2011/12	FORECAST 2012/13	FORECAST 2013/14	FORECAST 2014/15	NOTES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Community Services</u>									
Services for the Elderly	1,527	1,533	1,529	1,500	1,489	1,489	1,489	1,489	
Community Alarm (Care Line)	44	46	46	32	29	29	29	29	
Community Transport	74	84	84	84	83	83	83	83	
Concessionary Bus Fares	239	226	226	226	226	226	226	226	
Service Total	1,884	1,889	1,885	1,842	1,827	1,827	1,827	1,827	

**GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
Community Services							
2009/10 Estimate	1,889	1,889	1,889	1,889	1,889	1,889	
Developments							
QEH closure							
- transitional cost of transport to Manor Farm		-2	-2	-2	-2	-2	
- subsidy of Aldwyn Place meals		-10	-10	-10	-10	-10	To support meals for former QEH users
- reduced cost of security	-4	-4	-4	-4	-4	-4	
Savings							
Increase charges by 3% more than inflation			-15	-15	-15	-15	
Delete provision for alarm maintenance		-2	-2	-2	-2	-2	
Introduce new fee structure for community alarms		-10	-10	-10	-10	-10	
Reduce out of hours call-out for community alarms		-2	-2	-2	-2	-2	
Impact of restructuring of hours/overtime in 2009		-13	-13	-13	-13	-13	
Closure of 2 day centres over Christmas		-4	-4	-4	-4	-4	
2008/09 Planned Underspends Brought Forward							
	1,885	1,842	1,827	1,827	1,827	1,827	

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	ACTUAL	ORIGINAL	PROBABLE	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	
	2008/09	2009/10	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	NOTES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Leisure Services									
Egham Leisure Centre	513	376	494	473	449	438	438	438	
Addlestone Leisure Centre	367	346	361	363	358	358	358	358	
Leisure Development	180	189	202	189	189	189	189	189	
Play and Youth Activities	183	177	189	177	177	177	177	177	
Museum Service	191	186	186	186	186	186	186	186	
Allotments	82	78	88	83	83	83	83	83	
Public Halls	526	448	441	448	448	448	448	448	
Parks and Open Spaces	1,572	1,591	1,611	1,579	1,574	1,574	1,574	1,574	
Cemeteries	148	96	116	96	96	66	46	46	
Closed Churchyards	18	19	21	19	19	19	19	19	
Service Total	3,780	3,506	3,709	3,613	3,579	3,538	3,518	3,518	

GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
<u>Leisure Services</u>							
2009/10 Estimate	3,506	3,506	3,506	3,506	3,506	3,506	
<u>Developments</u>							
Egham Leisure Centre							
- Outsourcing of All weather pitches	48	35	11				Handover to Azzuri (£45k saving built into budget)
- Equipment Maintenance Contracts		2	2	2	2	2	3 year guarantee expires
- Anticipated reduction in membership income	60	60	60	60	60	60	Membership numbers overstated in base budget
Addlestone Leisure Centre							
- Anticipated reduction in membership income	15	15	15	15	15	15	Membership numbers overstated in base budget
- Equipment Maintenance Contracts		2	2	2	2	2	
Play & Youth Activities							
- Lower income than anticipated	12						
Public Halls							
- Increased income	-10						
Allotments							
- Loss of tenant at Egham Garden Centre	10	10	10	10	10	10	
Parks and Open Spaces							
- Eng Green Public Enquiry	20						
- Commuted sums ending		3	3	3	3	3	(Increases to 4 in 2015/16)
Cemeteries							
- Lower income than anticipated	20						
<u>Savings</u>							
Parks - 10% reduction in overtime (target 17)		-15	-15	-15	-15	-15	
Allotments - Increase in income (target 19)		-5	-5	-5	-5	-5	
Cemeteries - Increase in income (target 19)				-30	-30	-30	
Cemeteries - Further increase in income					-20	-20	Report to CMC 03/09/09
Increase charges by 3% more than inflation			-10	-10	-10	-10	
<u>2008/09 Planned Underspend Brought Forward</u>							
Egham LC - Promotion Expenses	10						
Addlestone LC - Promotion Expenses	13						
Halls - Purchase of Equipment	3						
Churchyards - Grounds Maintenance	2						
	3,709	3,613	3,579	3,538	3,518	3,518	

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	ACTUAL	ORIGINAL	PROBABLE	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	
	2008/09	2009/10	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	NOTES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Environmental Services</u>									
Pollution Control	256	262	271	262	262	262	262	262	
Local Air Pollution	20	24	24	24	24	24	24	24	
Occupational Health, etc	130	137	148	137	137	137	137	137	
Food Safety and Hygiene	161	171	171	171	171	171	171	171	
Pest Control/Dog Warden	38	40	40	40	40	40	40	40	
Recycling and Environmental Issues	327	351	346	517	517	517	517	517	
Green Waste Collection	84	126	156	126	122	122	122	122	
Refuse Collection	1,039	994	994	1,014	986	966	966	966	
Street Cleansing and Litter Squad	620	625	687	645	636	622	622	622	
Abandoned Vehicle Collection	44	51	51	51	51	51	51	51	
Anti-Graffiti & Street Care Team	62	62	67	67	67	67	67	67	
Public Conveniences	44	53	53	53	53	53	53	53	
Safer Runnymede	766	727	772	753	745	748	748	748	
Service Total	3,591	3,623	3,780	3,860	3,811	3,780	3,780	3,780	

**GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
Environmental Services							
2009/10 Estimate	3,623	3,623	3,623	3,623	3,623	3,623	
Developments							
Recycling:							
Replacement recycling contract provision		130	130	130	130	130	Abitibi contract ends Feb 2010.
Replacement recycling contract provision - vehicles		50	50	50	50	50	Vehicles no longer in capital programme
Overstatement of contract budget	-14	-14	-14	-14	-14	-14	
Improved signs to bring sites (CMC - April 09)	5						
Green Waste							
Increased number of subscribers target not met	30						
Refuse							
Increased vehicle maint costs (aging fleet)		20	5	-15	-15	-15	Increased rentals & Maint costs (based on history)
Trade waste disposal costs (lower tonnage)							
Trade waste income							
Street Cleansing:							
Increased vehicle maint costs (aging fleet)		15	6	-8	-8	-8	Increased rentals & Maint costs (based on history)
Measures agreed by CMC in April 2009	19						
Loss of leaf clearance contribution from SCC	5	5	5	5	5	5	
St Peters way flytip - cost of fencing	4						Assumes 6mths hiring
St Peters way flytip - cost of removal	34						Assumes SCC pay 50% of the costs
Anti-Graffiti							
Loss of graffiti clearance contribution from SCC	5	5	5	5	5	5	
Safer Runnymede:							
Loss of contribution from Surrey Police	30	30	30	30	30	30	
Increased subscriptions target	15						£30,000 target will not be met until 2010/11
Increased careline subscriptions		-9	-17	-17	-17	-17	L&E Cttee - March 2009 - Voice recorder upgrade
Commutated Sums dropping out		5	5	8	8	8	
Savings							
Increase charges by 3% more than inflation			-17	-17	-17	-17	
2008/09 Planned Underspends Brought Forward							
Pollution Control - Contaminated Land	4						
Pollution Control - Air Quality	5						
Occupational Health - No Smoking Campaign	11						
Recycling - Purchase of containers	4						
	<u>3,780</u>	<u>3,860</u>	<u>3,811</u>	<u>3,780</u>	<u>3,780</u>	<u>3,780</u>	

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	ACTUAL 2008/09	ORIGINAL 2009/10	PROBABLE 2009/10	BUDGET 2010/11	FORECAST 2011/12	FORECAST 2012/13	FORECAST 2013/14	FORECAST 2014/15	NOTES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Licensing & Regulatory</u>									
<u>Licensing Committee</u>									
Alcohol and related Licencing	68	73	71	72	72	72	72	72	
Gambling	10	11	11	11	11	11	11	11	
<u>Regulatory Committee</u>									
Taxi Licensing	14	13	13	13	13	13	13	13	
Other Licences	32	29	29	29	29	29	29	29	
Service Total	124	126	124	125	125	125	125	125	

**GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
<u>Licensing & Regulatory</u>							
2009/10 Estimate	126	126	126	126	126	126	
<u>Developments</u>							
Potential new fee structure for minor variations		1	1	1	1	1	Fees set by statute
<u>Savings</u>							
Rebasing general administration budget to outturn	-2	-2	-2	-2	-2	-2	
 <u>2008/09 Planned Underspends Brought Forward</u>							
	<u>124</u>	<u>125</u>	<u>125</u>	<u>125</u>	<u>125</u>	<u>125</u>	

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	ACTUAL 2008/09	ORIGINAL 2009/10	PROBABLE 2009/10	BUDGET 2010/11	FORECAST 2011/12	FORECAST 2012/13	FORECAST 2013/14	FORECAST 2014/15	NOTES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Planning & Development</u>									
Policy and Implementation	511	544	550	644	542	542	542	542	
Development Control									
- Non Fee Related	940	1,033	1,088	938	938	938	938	938	
- Fee Related	127	200	200	190	90	40	50	50	
Housing and Planning Delivery Gran	-121	-121	-121	-121	-121	-121	-121	-121	
Building Control									
- Non Fee Related	191	203	203	178	178	178	178	178	
- Fee Related	38	0	-10	0	0	0	0	0	
Service Total	<u>1,686</u>	<u>1,859</u>	<u>1,910</u>	<u>1,829</u>	<u>1,627</u>	<u>1,577</u>	<u>1,587</u>	<u>1,587</u>	

**GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
<u>Planning & Development</u>							
2009/10 Estimate	1,859	1,859	1,859	1,859	1,859	1,859	
<u>Developments</u>							
Policy & Implementation LDF Inquiry		100					Subject to a future report
Consultants - LDF		-30	-30	-30	-30	-30	
- financed by SANGS Endowment to be requested		30	30	30	30	30	
Development Control							
- national increase in charges			-50	-50	-50	-50	Provision for a further increase in fees in 2011/12
- 3 year P/T developer funded post	10	15	15	5			report awaited
developer contribution	-10	-15	-15	-5			
- developer contribution towards existing staff		-10	-10	-10			
Appeals - re. Padd Farm inquiry	50						Subject to supplementary estimate
Appeals - provision for Incinerator		-95	-95	-95	-95	-95	removed in future years
Recovery in planning fee income			-50	-100	-100	-100	
<u>Savings</u>							
Building Control - joint working		-25	-25	-25	-25	-25	this is additional to the £25K salary savings
Building Control - consultancy provision reduced	-10						2009/10 only
Increase charges by 3% more than inflation			-2	-2	-2	-2	Policy and Implementation
							information now available on line,
							therefore reduced income
<u>2008/09 Planned Underspends Brought Forward</u>							
LDF consultancy	6						
Development Control scanning	5						
	1,910	1,829	1,627	1,577	1,587	1,587	

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	ACTUAL	ORIGINAL	PROBABLE	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	
	2008/09	2009/10	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	NOTES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Highways Services</u>									
Environmental Maintenance	111	122	102	102	102	102	102	102	
Borough Highways Functions	136	164	188	164	164	164	164	164	
Land Drainage:									
General Expenditure	153	235	235	235	235	235	235	235	
Special Works	213	113	113	113	113	113	113	113	
Engineering Services	0	5	5	5	5	5	5	5	
Service Total	613	639	643	619	619	619	619	619	

**GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
<u>Highways and Infrastructure</u>							
2009/10 Estimate	639	639	639	639	639	639	
<u>Developments</u>							
Environmental Maintenance - SCC Contract	149	149	149	149	149	149	
Costs recovered from SCC	-169	-169	-169	-169	-169	-169	
<u>Savings</u>							
<u>2008/09 Planned Underspends Brought Forward</u>							
Egham town centre - repair of mosaics	4						
Environmental improvements at New Haw	20						
	643	619	619	619	619	619	

GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14

	ACTUAL	ORIGINAL	PROBABLE	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	NOTES
	2008/09	2009/10	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Economic Development</u>									
Car Parks	-71	-26	-38	-111	-138	-225	-225	-225	
On-Street Parking Enforcement (DP	24	26	26	26	26	26	26	26	
Markets and Street Trading	13	13	13	13	13	13	13	13	
Runnymede Travel Initiative	36	32	32	32	32	32	32	32	
Corporate Land & Property Holdings	-27	-32	134	28	-71	-163	-163	-163	
Energy Management	47	53	84	53	53	53	53	53	
Runnymede Business Partnership	62	67	67	67	67	67	67	67	
Civic Offices	519	237	231	186	158	158	158	158	
Depot	40	-4	-4	-4	-4	-4	-4	-4	
Service Total	643	366	545	290	136	-43	-43	-43	

**GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
Economic Development							
2009/10 Estimate	366	366	366	366	366	366	
Developments							
Car Parks							
- Egham Precinct leasehold disposal	-14	0	-7	-14	-14	-14	Redevelopment expected to commence in April 2010
Corporate Properties							
- Loss of income & increased expenditure	166	60	60				Additional 6% rent vacancies in 2010/2011/2012
Civic Centre							
- Rental income in new Civic Centre			-28	-28	-28	-28	
- Cost of old building	-50	-50	-50	-50	-50	-50	remove provision for rates and insurance
- Demolition costs of Civic Offices	38						Report awaited
- Energy price increases above 2009/10 budget	9	9	9	9	9	9	Increases in gas prices
Savings							
Car park charges - revised tariff Jan 2012			-20	-100	-100	-100	Provision for a further increase in charges
Car park charges - revised tariff Jan 2010		-80	-80	-80	-80	-80	Provision for a further increase in charges
Car park equipment - rebase budget		-5	-5	-5	-5	-5	Report to CMC 03/09/09
Corporate Properties - uplift in rents		0	-80	-106	-106	-106	Egham Precinct redevelopment
Corporate Properties - uplift in rents			-19	-25	-25	-25	Rent reviews
Civic Centre - security	-7	-8	-8	-8	-8	-8	
Reduced catering subsidy	4	-2	-2	-2	-2	-2	Revised agreement with caterers
2008/09 Planned Underspends Brought Forward							
Handheld parking enforcement computer	2						
Energy - insulation, survey and consultancy	31						
	<u>545</u>	<u>290</u>	<u>136</u>	<u>-43</u>	<u>-43</u>	<u>-43</u>	

**GENERAL FUND - REVENUE FORECAST
NET EXPENDITURE ON SERVICES 2007/08 - 2013/14**

	ACTUAL 2008/09 £'000	ORIGINAL 2009/10 £'000	PROBABLE 2009/10 £'000	BUDGET 2010/11 £'000	FORECAST 2011/12 £'000	FORECAST 2012/13 £'000	FORECAST 2013/14 £'000	FORECAST 2014/15 £'000	NOTES
<u>Corporate and Democratic Services</u>									
Corporate Management	533	433	453	433	433	433	433	433	
Democratic Repr. & Management	1,028	1,090	1,086	1,086	1,086	1,086	1,086	1,086	
Elections	129	94	94	144	134	134	84	134	
Grant Aid	423	430	430	430	420	420	420	420	
Public Relations	140	158	163	133	133	133	133	133	
<u>Business Services</u>									
Council Tax Collection	623	652	632	632	632	612	612	612	
NNDR Collection	47	59	56	56	56	56	56	56	
Register of Electors	149	151	151	151	151	151	151	151	
Partnership Team	15	0	0	0	0	0	0	0	
Local Land Charges	110	105	105	100	0	-5	-5	-5	
Contingencies Planning	136	138	138	138	138	138	138	138	
<u>Control and Establishment Budgets</u>									
Salaries (including Oncosts)	352	264	145	-39	34	164	144	244	
Officer Training	0	-22	-37	-37	-37	-37	-37	-37	
Staff Advertising	6	27	27	27	27	27	27	27	
Car Allowances	-1	-8	-8	-8	-8	-8	-8	-8	
Financial Services	-13	8	11	8	8	8	8	8	
Computer Services	1	-21	-4	-8	-8	-8	-8	-8	
Document Management System	0	8	21	8	8	8	8	8	
Runnymede On Line	-2	3	3	3	3	3	3	3	
Personnel Services	0	-3	-3	-3	-3	-3	-3	-3	
Customer Services	1	-38	-38	-38	-38	-38	-38	-38	
Legal, Admin and Leisure Services	1	10	9	9	9	9	9	9	
Technical Services	0	-14	-14	-39	-39	-39	-39	-39	
Geographical Information Service	-1	-1	10	-1	-1	-1	-1	-1	
Runnymede Direct Services	3	3	3	3	3	3	3	3	
Procurement Services etc	-1	-8	-8	-8	-8	-8	-8	-8	
Service Total	3,679	3,518	3,425	3,180	3,133	3,238	3,168	3,318	

**GENERAL FUND - REVENUE FORECAST
VARIATIONS FROM 2009/10 BUDGET**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	NOTES
Corporate and Democratic Services							
2009/10 Estimate	3,518	3,518	3,518	3,518	3,518	3,518	
Developments							
Corporate and Democratic Services							
External Audit CAA inspection	9						
Elections - running expenses		50	50	50		50	No borough elections in 2009/10 and 2013/14
Elections - cost of elections not recoverable			-10	-10	-10	-10	European elections in 2009/10, Parliamentary in 2010/11
Freedom of Entry event	5						Council meeting 18/12/08
Local Land Charges - recovery in searches			-100	-100	-100	-100	
Control and Establishment Budgets							
July 2009 2% pay award - full year effect		68	68	68	68	68	Only nine months costs in the base budget
Pension Fund - potential impact of future reviews			100	100	100	200	
Training PRP consultancy provision		-16	-16	-16	-16	-16	Expenditure in 2009/10 only
Computer Services Depot network	6	6	6	6	6	6	Corporate Management 25/06/09
Computer Services revision of IT licences	11	7	7	7	7	7	Corporate Management 25/06/09
Savings							
July 2009 1% pay award - additional provision removed	-119	-153	-153	-153	-153	-153	Corporate Management 25/06/09
Performance Related Pay - provision reduced		-150	-150				Corporate Management 3/09/09
Private medical insurance		-32	-39	-39	-39	-39	Service withdrawn from June 2007
Building Services - partnership working		-25	-25	-25	-25	-25	Phase III revenue reductions item 2
Land Charges - reduced volumes		-5	-5	-10	-10	-10	Phase III revenue reductions item 5
Provision for restructuring opportunities		-20	-40	-60	-80	-80	Phase III revenue reductions item 10
Grant Aid general provisions reduced			-10	-10	-10	-10	Phase III revenue reductions item 11
Revenues restructuring				-20	-20	-20	Phase III revenue reductions item 12
Reduced cost of public notices		-25	-25	-25	-25	-25	Phase III revenue reductions item 22
Democratic Representation - refreshments	-4	-4	-4	-4	-4	-4	Report to CMC 03/09/09 - rebasing budget to 2008/09
Training costs	-15	-15	-15	-15	-15	-15	Report to CMC 03/09/09 - rebasing budget to 2008/10
Council Tax/Business Rates summons costs	-13	-13	-13	-13	-13	-13	Report to CMC 03/09/09 - increase approved by Magistrat
Reduce Council Tax postage costs	-10	-10	-10	-10	-10	-10	Report to CMC 03/09/09
Reduce publications budget	-1	-1	-1	-1	-1	-1	Report to CMC 03/09/09
2008/09 Planned Underspends Brought Forward							
Comprehensive Area Assessment work	5						
Equalities standard level 3 costs	6						
Internal Audit consultants	3						
Document Management training and consultants	13						
GIS - computer upgrades	11						
	<u>3,425</u>	<u>3,180</u>	<u>3,133</u>	<u>3,238</u>	<u>3,168</u>	<u>3,318</u>	

FORECAST REVENUE RESERVES AND CAPITAL RECEIPTS

	General Fund Revenue Reserves			Usable Capital Receipts	Balances Bearing Interest for General Fund	Housing Revenue Account	GRAND TOTAL
	Earmarked Reserves	Unallocated Balances	Total				
	£000	£000	£000				
<u>2009/10</u>							
Brought Forward 1.4.2009	955	6,044	6,999	2,655	9,654	2,636	12,290
Capital Receipts (received)				2,546	2,546		2,546
Spent during the year	-237	237		-5,480	-5,480		-5,480
Other movements	315	-2,644	-2,329		-2,329	-186	-2,515
	1,033	3,637	4,670	-279	4,391	2,450	6,841
<u>2010/11</u>							
Brought Forward 1.4.2010	1,033	3,637	4,670	-279	4,391	2,450	6,841
Capital Receipts (received)				6,419	6,419		6,419
Spent during the year	-376	376		-4,432	-4,432		-4,432
Other movements	324	-1,841	-1,517		-1,517	-47	-1,564
	981	2,172	3,153	1,708	4,861	2,403	7,264
<u>2011/12</u>							
Brought Forward 1.4.2011	981	2,172	3,153	1,708	4,861	2,403	7,264
Capital Receipts (received)				7,188	7,188		7,188
Spent during the year	-401	401		-3,166	-3,166		-3,166
Other movements	324	-1,154	-830		-830	-314	-1,144
	904	1,419	2,323	5,730	8,053	2,089	10,142
<u>2012/13</u>							
Brought Forward 1.4.2012	904	1,419	2,323	5,730	8,053	2,089	10,142
Capital Receipts (received)				4,179	4,179		4,179
Spent during the year	-285	285		-2,650	-2,650		-2,650
Other movements	324	-667	-343		-343	-221	-564
	943	1,037	1,980	7,259	9,239	1,868	11,107
<u>2013/14</u>							
Brought Forward 1.4.2013	943	1,037	1,980	7,259	9,239	1,868	11,107
Capital Receipts (received)				429	429		429
Spent during the year	-285	285		-2,650	-2,650		-2,650
Other movements	324	-625	-301		-301	-254	-555
	982	697	1,679	5,038	6,717	1,614	8,331
<u>2014/15</u>							
Brought Forward 1.4.2014	982	697	1,679	5,038	6,717	1,614	8,331
Capital Receipts (received)				429	429		429
Spent during the year	-285	285		-2,650	-2,650		-2,650
Other movements	1,870	-997	873		873	-254	619
	2,567	-15	2,552	2,817	5,369	1,360	6,729

GENERAL FUND CAPITAL PROGRAMME 2009/10 to 2013/14

Approval Date	Priority Score	Evaluation Score	TOTAL BUDGET	EXPENDITURE PROFILE						Comments	
				Actual to 31 Mar 09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14		
				£	£	£	£	£	£		
Community Services											
Day Centre vehicles	-	1	95	250,000			250,000				Subject to fleet review and Committee report
Dial-a-ride vehicles	SO42 - Aug 09	1	70	33,800		33,800					
TOTAL				283,800		33,800	250,000				
Leisure Services											
Sports & Leisure Centres											
Egham - Replacement of fitness equipment	Annual provision	2	85	185,000		25,000	40,000	40,000	40,000	40,000	Annual rolling provision - funded from reserves
Addlestone - Replacement of fitness equipment	Annual provision	2	85	140,000		20,000	30,000	30,000	30,000	30,000	Annual rolling provision - funded from reserves
Parks and Open Spaces											
Hythe Park:											
- Creation of Park	L&E - Mar 08		Committed	465,600	453,600	12,000					Part funded by third parties & planning contribution
- Toddlers play area	L&E - Mar 08		Committed	49,000	44,200	4,800					Funded entirely from AIR
- Multi use play area	L&E - Mar 08		Committed	58,000	48,300	9,700					Funded by lottery grant
- Adventure play area	L&E - Mar 08		Committed	57,900	57,900						Funded by lottery grant
Play equipment replacement programme:											
- 2006/07 programme	L&E - Sept 05		Committed	329,000	284,200	44,800					
- 2009/10 programme	L&E - Sept 08	2	85	300,000		100,000	100,000	100,000			Deferred by CMC - Oct 2008
- Future provision	-	2	85	200,000					100,000	100,000	Subject to future report
Frank Muir Memorial Field - Skate Park	L&E - Sept 09			70,000		70,000					Funded by third parties
Addlestone Play Builder project	L&E - Sept 09			50,000		50,000					Funded by third parties
Chertsey Rec sewerage pump	L&E - Jan 06		Committed	14,000		14,000					
Replacement of Parks vans	-	2	75	30,000		30,000					Subject to future report
Cemeteries											
Addlestone Cemetery extension	L&E - Jun 08	1	70	200,000	400	199,600					
TOTAL				2,148,500	888,600	579,900	170,000	170,000	170,000	170,000	

GENERAL FUND CAPITAL PROGRAMME 2009/10 to 2013/14

Approval Date	Priority Score	Evaluation Score	TOTAL BUDGET	EXPENDITURE PROFILE						Comments	
				Actual to 31 Mar 09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14		
				£	£	£	£	£	£		
Environmental Services											
<u>Environmental Services</u>											
Vehicle fleet replacement											
Refuse & Green Waste	-	1	110			1,100,000				Subject to future report	
Street Cleansing	-	1	110					400,000		Subject to future report	
Street Cleansing (former Partnership Team van)	CMC - Apr 09		Committed	18,300	18,300					Funded by PRG capital grant	
Graffiti Team vehicle	-	2	75	36,000	36,000					Subject to future report	
Waste Recycling initiatives	-	2	80	58,500	18,500	10,000	10,000	10,000	10,000	Annual rolling provision	
Safer Runnymede											
Equipment Replacement Schedule	Annual Provision	1	115	500,000		100,000	100,000	100,000	100,000	100,000	Annual provision
Safer and Stronger Communities Fund	-		Committed	22,900		22,900					Funded by Government Grant
Chertsey Bridge Wharf CCTV Scheme	-		Committed	30,000		30,000					Funded by s106 agreements
TOTAL				665,700	225,700	1,210,000	510,000	110,000	110,000		
Economic Development											
<u>Planning Implementation</u>											
Purchase of Tulk Field	EDC - Nov 02	3	-	47,000			47,000				
Provision for SPA purchases	-	2	45	300,000			300,000			Subject to sufficient contributions received.	
<u>Offices, Buildings, Depots etc.</u>											
Runnymede Civic Centre - Phase 2 works	CO Sub - Mar 09		Committed	415,000	25,700		389,300				Demolition costs transferred to Revenue
Strategic maintenance programme	-	1	100	1,283,100		143,100	285,000	285,000	285,000	285,000	Subject to future Committee report 2008/09 increase offset by 2009/10 saving
<u>Other</u>											
Beomonds Allotments: De-contamination	EDC - June 09		Committed	12,000			12,000				
56 & 56a Station Road, Addlestone - Lease purchase	EDC - Aug 09						230,000				
42a - 58a Station Road, Addlestone - Property works	SO42 - Mar 09	-	Committed	70,000			70,000				
The Broadway, New Haw - Environmental Improvements	CMC - Sept 09						40,000				Capital element of scheme
Car Parking P&D machine replacement	-	1	60	92,000			92,000				Funded from reserve
TOTAL				2,219,100	25,700	495,100	1,113,300	285,000	285,000	285,000	

GENERAL FUND CAPITAL PROGRAMME 2009/10 to 2013/14

				EXPENDITURE PROFILE										
				Approval Date	Priority Score	Evaluation Score	TOTAL BUDGET	Actual to 31 Mar 09	Budget 2009/10		Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14
							£	£	£		£	£	£	£
Corporate & Business Services														
IT General Provisions														
Hardware replacement programme:														
- 2008/09 programme	CMC - Sept 08		Committed	133,500	83,500	50,000								
- 2009/10 programme	CMC - June 09		Committed	42,300		42,300								
- Future Provision	-	2	90	482,100			113,700	138,800	114,800	114,800	Subject to annual committee reports			
System upgrades & developments	-	2	50	400,000			100,000	100,000	100,000	100,000	Subject to specific justification & approval			
IT Corporate Schemes														
Document Management System:														
Council Tax / Hsg Benefits automated reporting	CMC - Jan 06		Committed	7,500			7,500				Deferred			
Link with Housing i-World system	CMC - Jan 06		Committed	26,500			26,500				Deferred			
GIS Integrated datasets	-	3	35	92,200			92,200				Subject to future report			
Gladstone on-line booking system	SO42 - Sep 09		Committed			13,700					£8,200 financed by revenue virement			
IT Specific Schemes														
Careline voice recorder replacement	L&E - Mar 09		Committed	11,500		11,500								
Planning System Upgrade	CMC - June 09		Committed			58,600								
Northgate Debtors system	SO42 - Apr 09		Committed			13,500					Funded by revenue Government Grant			
TASK system upgrade	CMC - Sept 09					60,000								
Content Management editor upgrade	CMC - Sept 09					12,200								
Grant Aid to Sporting and Community Organisations														
Grants to local organisations	Annual Provision	3	65	287,900		87,900	50,000	50,000	50,000	50,000	Priority downgraded (Sept 2008)			
Grants to scout & guide groups	Annual Provision	3	65	15,000		3,000	3,000	3,000	3,000	3,000	Priority downgraded (Sept 2008)			
TOTAL				1,498,500	83,500	352,700	392,900	291,800	267,800	267,800				

GENERAL FUND CAPITAL PROGRAMME 2009/10 to 2013/14

Approval Date	Priority Score	Evaluation Score	TOTAL BUDGET	EXPENDITURE PROFILE						Comments	
				Actual to 31 Mar 09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14		
				£	£	£	£	£	£		

Summary

Community Services			283,800		33,800	250,000					
Leisure Services			2,148,500	888,600	579,900	170,000	170,000	170,000	170,000		
Environmental Services			665,700		225,700	1,210,000	510,000	110,000	110,000		
Economic Development			2,219,100	25,700	495,100	1,113,300	285,000	285,000	285,000		
Corporate and Business Services			1,498,500	83,500	352,700	392,900	291,800	267,800	267,800		

Total General Fund Capital Programme			6,815,600	997,800	1,687,200	3,136,200	1,256,800	832,800	832,800		
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Priority definitions

Priority 1

- Schemes essential and to the extent necessary to comply with statutory obligations
- Schemes for which there is a contractual commitment to another party
- Schemes necessary to avoid a service breakdown
- Schemes necessary in the interests of safety

Priority 2

- Schemes necessary to maintain an existing asset
- Schemes necessary to maintain required standards of service
- Schemes to meet urgent established need
- Schemes which will permit future savings or increased efficiency
- Schemes which a business plan demonstrates to be self-financing

Priority 3

- Schemes to permit the development of services in accordance with approved policies

Priority 4

- Schemes representing other desirable development services
- Schemes to meet emerging needs and/or demands emanating from consultation, benchmarking or Best Value exercises.

Evaluation Criteria

Evaluation and monitoring is carried out by the Corporate Property Group based on the criteria set out in the Capital Strategy. Scores for each scheme are marked out of a possible 175.

GENERAL FUND CAPITAL PROGRAMME 2009/10 to 2013/14

Approval Date	Priority Score	Evaluation Score	TOTAL BUDGET	EXPENDITURE PROFILE					Comments	
				Actual to 31 Mar 09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13		Budget 2013/14
				£	£	£	£	£	£	

Method of Financing - Summary Statement

Revenue Reserves

IT Renewals Revenue Reserve					92,300	113,700	138,800	114,800	114,800	
CCTV Revenue Reserve					100,000	100,000	100,000	100,000	100,000	
ELC Equipment Reserve					25,000	40,000	40,000	40,000	40,000	
ALC Equipment Reserve					20,000	30,000	30,000	30,000	30,000	
Car Park equipment reserve						92,000				
Direct Revenue Contributions										Northgate Debtors ?
Northgate debtors system					13,500					
Gladstone online booking system					8,200					

Contributions and Grants

Grants & Contributions from Third Parties:

Hythe Park (Pooley Green Town Park)

Creation of Park					12,000					Planning infrastructure initiatives
Toddlers play area					4,800					AIR
Multi use play area					9,700					Lottery Grant
Adventure play area										Lottery Grant
Frank Muir Skate Park					70,000					Play Builder funding & other contributions
Addlestone Play builder project					50,000					Play Builder funding
Chertsey Bridge Wharf					30,000					s106 Agreement (NMSS 7738)
Planning SPA contributions						300,000				Subject to sufficient contributions
Safer and Stronger Communities					22,900					
Performance reward grant:										
Street Cleansing vehicle					18,300					
Unidentified						195,050				

Capital Resources

Capital Receipts					1,210,500	2,265,450	948,000	548,000	548,000	
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Total General Fund Capital Programme					1,687,200	3,136,200	1,256,800	832,800	832,800	
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HOUSING CAPITAL PROGRAMME: 2007/08 to 2012/13

Committee approval									REMARKS
Total	Frequency		Actual 2007/08	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	
£			£	£	£	£	£	£	
1. Runnymede Housing Stock - Capital repair & improvement works on existing stock									
Notes									
All these works are funded by the Housing Revenue Account, mainly through the Major Repairs Allowance.									
The works programme is in line with the assumptions used in the latest HRA Business Plan									
Inflation rate assumption					3.00%	3.00%	3.00%	3.00%	
Analysis of the Capital Works Programme									
Heating and insulation programme	1,611,960	Annual	348,755	120,000	150,000	275,489	271,679	446,037	
Kitchen and bathroom programme	5,852,559	Annual	569,940	2,024,000	1,435,000	656,485	579,582	587,552	
Major repair works	8,162,893	Annual	1,139,901	1,992,000	807,700	1,269,595	1,611,964	1,341,733	
Exceptional extensive works	827,820	Annual	0	0	0	270,530	278,645	278,645	
Sheltered schemes - special works	248,476	Annual	37,622	40,000	41,000	42,436	43,709	43,709	
Conversions & adaptations for disabled tenants	1,324,500	Annual	192,997	255,000	211,000	217,485	224,009	224,009	
Total - Existing Stock	18,028,208		2,289,215	4,431,000	2,644,700	2,732,019	3,009,589	2,921,685	

HOUSING CAPITAL PROGRAMME: 2007/08 to 2012/13

Committee approval								REMARKS
LATEST BUDGET	LATEST APPROVAL	Actual 2007/08	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	
£		£	£	£	£	£	£	

2. Runnymede Housing Stock - Other Capital Projects

Assisted Private Purchase Scheme	200,000	Sept 2006	0	40,000	40,000	40,000	40,000	40,000	Annual provision
Roakes Avenue estate									
Consultancy fees & holding costs	0	Sept 2001	0	0	0	0	0	0	Budget of £70,000 approved in 2001
Compensation & homeloss payments	0		0	0	0	0	0	0	To be met from capital receipt from sale of site.
Site holding costs	0		0	0	0	0	0	0	To be met from capital receipt from sale of site.
Wapshott & Bowes Road estate									
Repurchase of dwellings	619,392	Mar 2006	619,392	0	0	0	0	0	Includes top up loans for replacement properties
Fees and sundries	41,844	Mar 2005	21,844	20,000	0	0	0	0	
Homeloss payments	319,159	Mar 2005	179,159	140,000	0	0	0	0	
Pinefields - site redevelopment costs	12,675	Mar 2006	12,675	0	0	0	0	0	Homeloss & other payments
Heathervale Mobile Home Site	297,300	Sep 2007	0	297,300	0	0	0	0	Reconfiguration of site and purchase of new family mobile homes
Hostel Accommodation Review	0	May 2004	0	0	0	0	0	0	Proposals to be developed - assumed that scheme will be self financing from sale proceeds for St Judes
Beomonds - refurbishment	0		0	0	0	0	0	0	Proposals to be developed.
Total for other capital projects	1,490,370		833,070	497,300	40,000	40,000	40,000	40,000	

HOUSING CAPITAL PROGRAMME: 2007/08 to 2012/13

Committee approval								REMARKS	
LATEST BUDGET	LATEST APPROVAL	Actual 2007/08	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13		
£		£	£	£	£	£	£		
3. Private Sector Housing Renewal - "Runnymede Renewal"									
Disabled Facilities Grant Subsidy									
Maximum government subsidy (government determined)		234,000	270,000	270,000	270,000	270,000	270,000	Government grant not paid beyond this amount 60% of DFG expenditure only up to April 2008	
Actual government subsidy applied		142,219	-	-	-	-	-		
Improvement Grant Expenditure									
Disabled Facilities Grants	2,312,032	Sept 2005	237,032	350,000	400,000	425,000	450,000	450,000	SHIP partnership
Discretionary Renovation Grants	140,153	July 2003	23,153	23,000	17,000	18,000	26,000	33,000	
Minor Works Assistance Grants	79,427	July 2003	9,427	14,000	14,000	14,000	14,000	14,000	
Repayments of grants	0	July 2003	0	0	0	0	0	0	
Warmth for 1000 project	42,000	June 2008	0	7,000	14,000	14,000	7,000	0	
Loans - Granted	270,393	July 2003	20,393	50,000	50,000	50,000	50,000	50,000	
Loans - recovered	-27,318	July 2003	(27,318)	0	0	0	0	0	
Total Runnymede Renewal	2,816,687		262,687	444,000	495,000	521,000	547,000	547,000	

HOUSING CAPITAL PROGRAMME: 2007/08 to 2012/13

Committee approval		Actual 2007/08	Budget 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13
LATEST BUDGET	LATEST APPROVAL						
		£	£	£	£	£	£

REMARKS
Note: SHG = Social Housing Grant from the Homes and Communities Agency

4. New Affordable Housing (Runnymede Financed) - "Homes First"

Street properties

DIYSO and Homebuy

301,297 Mar 2007

301,297 0 0 0 0 0

Budget for 07/08 carried over from 06/07. No further new cases from February 2007.

Other local schemes

Vicarage Road, Egham

112,909 Sept. 2004

112,909 0 0 0 0 0

Residual sum due (old scheme)

Chertsey Bridge Wharf (Phase 3)

450,000 May 2004

450,000 0 0 0 0 0

Dwellings completed and occupied in 2008

Roakes Avenue, Addlestone

360,000 March 2005

0 360,000 0 0 0 0

SHG and extra £75k agreed with Crest

St Annes School site, Virginia Water

700,000 Jan 2008

0 700,000 0 0 0 0

Funding may be returned; replaced by SHG.

Pretoria Road, Chertsey

0 June 2007

0 0 0 0 0 0

Assume met from Housing Corporation funding

Old civic offices & police station, Addlestone

0

0 0 0 0 0 0

Assume met from Housing Corporation funding.

Available for new schemes: Runnymede funds

7,077,000

0 440,000 2,637,000 1,500,000 1,500,000 1,000,000

This provision is £1.5m a year (£1m from 2012), topped-up by receipts from new land sales and any unspent budget carried forward from previous years, less schemes listed above financed from this provision..

Available for new schemes: From potential developers contributions

0

0 0 892,000 0 0 0

Will only be committed after cash received from developers in line with relevant S106 agreements

Total New Affordable Housing

9,001,206

864,206 1,500,000 3,529,000 1,500,000 1,500,000 1,000,000

GRAND TOTAL

31,336,471

4,249,178 6,872,300 6,708,700 4,793,019 5,096,589 4,508,685

HOUSING CAPITAL PROGRAMME: 2007/08 to 2012/13

	Actual 2007/08	Actual 2008/09	Budget 2009/10	Budget 2010/11	Budget 2011/12	Budget 2012/13	REMARKS
	£	£	£	£	£	£	
<u>Runnymede Housing Programme (sections 1 to 4)</u>							
Runnymede stock - Capital repair & improvement work	2,289,215	4,308,965	2,644,700	2,732,019	3,009,589	2,921,685	Schedule 1 of the Programme
Runnymede stock - Other capital schemes	833,070	479,637	40,000	40,000	40,000	40,000	Schedule 2 of the Programme
"Runnymede Renewal" programme	262,687	409,432	495,000	521,000	547,000	547,000	Schedule 3 of the Programme
"Homes First" - Affordable housing programme	864,206	370,000	4,538,000	1,500,000	1,500,000	1,000,000	Schedule 4 of the Programme
Total Runnymede Housing Capital Programme	4,249,178	5,568,034	7,717,700	4,793,019	5,096,589	4,508,685	
<u>Source of Finance for Runnymede Housing Programme</u>							
Financing of capital repair & improvement work							
Major Repairs Allowance	2,198,210	2,176,461	2,235,600	2,265,800	2,339,000	2,414,500	Estimated level of HRA Subsidy for the MRA
Use of capital receipts	91,005	2,132,504	0	0	0	0	To match £3m HRA transfer (2006-2009)
Housing Revenue Account - Revenue Contributions	0	0	409,100	466,219	670,589	507,185	Balance funded from HRA
Sub Total - works on current housing stock	2,289,215	4,308,965	2,644,700	2,732,019	3,009,589	2,921,685	Total of section 1 of the housing programme
Financing of rest of housing capital programme							
Contributions from Heathervale site revenue budget	0	55,000	0	0	0	0	
Developer contributions to social housing schemes	0	121,000	771,000		0	0	
Government subsidy for Disabled Facility Grants	142,219	270,000	270,000	270,000	270,000	270,000	Assume no cash increase
Use of Capital Receipts	1,817,744	813,069	4,032,000	1,791,000	1,817,000	1,317,000	Required to fully finance the programme
Total Runnymede Housing Capital Programme	4,249,178	5,568,034	7,717,700	4,793,019	5,096,589	4,508,685	