

## Agenda Item 7

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<b>Date</b>	21st February 2017		
<b>Ward (s) affected</b>	All	<b>Key Decision</b>	Yes
<b>Subject</b>	2017/18 Budget, Council Tax Resolution, and refreshed Corporate Strategy		
<b>RECOMMENDATIONS</b>			
<ul style="list-style-type: none"> <li>(i) That the refreshed version of the Corporate Strategy 2015-19 be endorsed</li> <li>(ii) That the proposed budget for 2017/18 be set at £9,430,000</li> <li>(iii) That the Band D Council Tax for 2017/18 be set at £168.56, representing a 3.0% increase on 2016/17, in line with the Government announcement that Council Tax can be increased, without triggering a referendum, by up to 2.0% or £5.00 (on a Band D property), whichever is the higher.</li> <li>(iv) That the Capital Programme for 2017/18 be approved</li> <li>(v) That the Section 151 Officer's statement concerning the 2017/18 budget and the medium term financial outlook for the Council be noted</li> <li>(vi) That the Council decide whether to increase Members' Allowances in line with the Local Pay Award for staff</li> </ul>			
<b>EXECUTIVE SUMMARY</b>			
<p>This report provides a refreshed version of the Corporate Strategy 2015-19 that reconfirms the Council's overall strategic direction.</p> <p>The report also provides analysis and key assumptions in formulating a budget for 2017/18 and presents the budget proposals. The proposed budget is balanced, protects service delivery, includes some new spending proposals in line with corporate priorities and entails no reductions in service provision despite major reductions in government funding.</p>			
<b>CORPORATE PRIORITIES</b>			
<p>The budget proposals reflect the current corporate priorities of the Council and are consistent with the vision and priorities in the Corporate Strategy 2015-19.</p>			

**The Council has the authority to determine the recommendations.**

## **INTRODUCTION**

1. The financial outlook for Mole Valley District Council is challenging, with the amount of funding received from central Government through the Revenue Support Grant and New Homes Bonus substantially reduced for 2017/18.
2. The Council produced a Medium Term Financial Strategy (MTFS) in 2013 setting out the size of the challenge over the medium term to 2020/21. The Strategy recognised the impact of reduced grant and lower investment returns in the context of continuing austerity. It also recognised that the Government is encouraging Councils to take control of their own fortunes, to an extent, by attaching specific streams of funding to outcomes related to building and development - such as retention of a share of increased business rates and the New Homes Bonus.
3. A major theme of the Strategy was therefore for the Council to make the best use of its assets in support of its financial position. The MTFS recognised the trend and direction of reducing Government financing for local authorities, but recent grant settlements have significantly accelerated the process. The level of the planned grant reductions has increased the importance of the Council shaping its own finances and generating funding streams independent of central government. This led the Council to approve an Asset Investment Strategy in October 2016, which now forms a cornerstone of the 2017/18 budget proposal.
4. In countering the impact of reduced grant and falling investment income over recent years, the Council has been successful in identifying savings and improvements that have not significantly affected the provision of services. The proposals in this budget paper for 2017/18 demonstrate how the Council has, once again, balanced spending and funding without reducing the services provided. However, achievement of efficiencies is becoming increasingly challenging, having already reduced the Council's budget by more than a third in recent years in the face of a continued squeeze on Government support, whether in the form of grant, business rates or New Homes Bonus. As Government funding continues to fall, this challenge will require ever more innovative measures to maintain a balanced budget and protect services.
5. The following appendices are attached to this report:-
  - Appendix A(i) – Refreshed Corporate Strategy 2015-19
  - Appendix A (ii) – Corporate Strategy – details of updates to wording
  - Appendix B – Revenue Budget Proposal 2017/18
  - Appendix C – Capital Programme 2017/18
  - Appendix D – Equality Impact Assessment on 2017/18 Budget

## **CORPORATE STRATEGY 2015/16 TO 2018/19**

6. MVDC has a Corporate Strategy 2015-2019 that was agreed by the Council in March 2015. The Vision is for Mole Valley to be 'a place where people want to live, work, do business and spend their leisure time'. The four year Corporate Strategy has been in place for two years and it is timely to undertake a light touch refresh to ensure it remains fit-for-purpose.

7. Good progress has been made during the first two years of the Strategy. This has been reported to Executive on a regular basis and highlighted in the Annual Reports. The progress made confirms the value of the current Corporate Strategy. The refreshed document (Appendix A(i)) therefore reconfirms the strategic direction and retains the vision, values, guiding principles and priorities.
8. There are three priorities in the Corporate Strategy. The key objectives that underpin the three priorities have been updated. Details of all updates to the Strategy are set out in Appendix A(ii).
9. The refreshed Strategy will form the basis of regular reporting to the Executive as part of the Business and Budget monitoring reports.

**BUDGET PROPOSAL 2017/18**

10. The assumptions behind the figures in the proposed budget in Appendix B are set out in the following paragraphs. The funding items are dealt with first (Council Tax, New Homes Bonus, investments etc.), followed by the assumptions on the spending side (inflation, pensions etc.)

**Revenue Budget Assumptions - Funding**

Council Tax

11. The budget proposal includes an increase in the MVDC portion of Council Tax of 3% for 2017/18. The Government's financial settlement for 2017/18 has allowed all Councils to increase the levy by up to 2% without the requirement for a local referendum. It has also allowed Councils to increase Council Tax by up to £5 per year (on the basis of Band D premises) in circumstances where this is higher than 2%. This is the case in Mole Valley. A £5 limit at Band D equates to a 3% increase across the board. This increases the Tax at Band D from £163.65 to £168.56
12. The position has changed in relation to upper tier authorities with Adult Social Care responsibilities. The Government will allow a further 3% Council Tax increase, on top of the standard 2%, for upper tier authorities which is to be spent on Adult Social Care only.

Revenue Support Grant (RSG)

13. The Local Government Finance Settlement 2017/18 announced the grant provisionally for 2017/18 in December 2016 and it was confirmed in February 2017.

	Current Year 2016/17  £000	RSG Settlement 2017/18  £000
Revenue Support Grant	270	0

14. The Council, in common with 97% of all councils, has signed up to the Government's offer of 4-year certainty in relation to grant settlement which confirms nil grant up until 2019/20. To compensate for the steep reduction in grant, the Government has allocated some "transitional relief". This amounted to £119,000 in 2016/17 for MVDC and a final allocation of £71,000 in 2017/18.

#### New Homes Bonus

15. To incentivise the provision of new and recovered (from being 'long term empty') housing, the Government introduced a New Homes Bonus (NHB) for Local Authorities in 2011/12. For every net additional home provided, the Government awarded the Council a bonus equivalent to the national average Council Tax for six years. In two tier areas, the District or Borough Council retains 80% of this bonus.
16. The scheme was introduced, initially, for six years. A review of, and consultation on, the scheme took place last year.
17. The revised shape of the scheme for 2017/18 was announced as part of the 2017/18 Local Government Finance Settlement in December 2016. The overall amount allocated was reduced to transfer funding to Adult Social Care. The reduction was achieved by introducing a growth threshold of 0.4% of housing stock – the bonus is paid only on new homes beyond this threshold. The number of years over which the payment is made was also reduced, initially from six to five for 2017/18 and then to four from 2018/19.
18. As a result of the changes, the New Homes Bonus for MVDC has been announced as £988,000 for 2017/18. This almost entirely comprises payment in respect of new homes in earlier years. The threshold for 2017/18 payment was not achieved in Mole Valley because 118 new homes were constructed against a threshold of 150 (0.4%).

#### Business Rates

19. In 2013/14, the Government introduced the Business Rates Retention Scheme, a system that leaves a proportion of business rates in the hands of Local Authorities (LAs). LAs assume the risk of reductions in rates and reap the rewards of increases. A system of top-ups, tariffs, safety nets and levies ensures limitations on the extent of gains and losses. The Government's stated aim, over the course of this Parliament, is to move towards self-sufficient local authorities, retaining the full business rate yield in the sector, and to make this mechanism the main source of local authority funding. This is subject to an ongoing full system review and consultation with a view to implementing a revised system in either 2019/20 or 2020/21.
20. The Business Rates Baseline – the amount the Government has assumed will be retained by MVDC – has increased in line with inflation. This has happened each year since the launch of the Retention Scheme.
21. The Council joined a Business Rates "Pooling" arrangement with Surrey County Council and three other Surrey Districts/Boroughs for 2015/16, from which Mole Valley benefited by over £500,000 in terms of a reduced amount shared with Central Government in line with the different risks and rewards applying to pool members. The membership of the pool changed for 2016/17 to maximise the advantage for those included on the basis of anticipated growth in business rates. MVDC was excluded for that year. However, MVDC has returned to the Pool for 2017/18. The benefit is not anticipated to be as high as in 2015/16, though a one-off increase of £200,000 for the retained levy no longer paid to central government has been built into the budget for the year.

### Interest income and payments

22. Interest on investments is set to reduce over the next few years due to the combined impact of prolonged, low interest rates and reduced reserves to invest due to the Council's extended capital programme. The Council will incur interest costs in relation to amounts borrowed to fund asset investments. It will also need to provide a Minimum Revenue Provision (MRP) towards the future replacement of those assets. These costs have been amalgamated under "interest" in the revenue budget details set out in the Appendix.

### **Revenue Budget Assumptions - Spending**

23. The build-up of the proposed budget for 2017/18 is set out in Appendix B. It shows a number of additions and reductions on the base budget rolled forward from 2016/17. Each of these lines, representing either an addition to or a reduction on the previous year's budget, is explained in the following paragraphs.

### Inflation (net addition of £193,000)

24. The net inflation provision of £193,000 comprises:-
- Pay award provision – 2% provision has been made towards the 2017/18 pay award.
  - General inflation on expenditure - the assumption of 2.5% general inflation made in the MTFs has been replaced by 1% in view of the prevailing rate of CPI (1.2%). The assumption is 2% in 2018/19 and 2019/20 in line with the general expectation of higher inflation levels in the near future.
  - Inflation on fees and charges. Budget Managers set the annual increases in line with the Fees & Charges Principles, which require them to "maximise income" unless there is a clear decision not to do so. The commercial rates, on Dorking Halls and Community Support Services, have been set by the budget managers with a licence to negotiate the best possible outcome. The policy on other discretionary charges has been to increase them by around 2.5% in most cases (allowing leeway on either side to set a sensibly rounded charge, rather than odd pennies), though car parks pay and display will remain at current rates. The non-controllable rates are separately imposed. The composite impact overall is an increase of around 1.25%.

### 2017/18 Budget Changes

25. The following amendments have been made to the base budget:-
- Revenue implications of capital investment: the investment, through the capital programme, in refurbishing Pippbrook and regenerating Meadowbank in Dorking, will impact on the revenue budget through reduced running costs of Pippbrook and a return through income generation on the Council's investment in Meadowbank.
  - Apprenticeship Levy: the requirement was introduced by the Government and is estimated to cost MVDC around £25,000.
  - Loss of Counter Fraud grant: £40,000 is required to replace reduced grant from Government and enable the funding of the corporate Fraud & Investigations Team.
  - Pensions – impact of early repayment: investment of £4m of revenue reserves in early repayment of the pension deficit will reduce the level of annual repayments

by £420,000.

- Waste – adjusted gate fees and recycling credits: £150,000 is the estimated requirement to meet the cost of changes in 2017/18.
- Joint Waste Initiative : the project to combine provision of Waste Collection over a number of Surrey authorities will have a major impact in Mole Valley during 2018/19, when the current contract ends. The expectation, following the recent procurement process, is an estimated £1.3m saving for MVDC over a full year, with two thirds anticipated in 2018/19. Costs of £80,000 are anticipated in 2017/18 connected with the funding of a new Contract Officer and shared Control Centre.
- Planning Applications and Land Charges – reduced income levels in each of these services, reported as part of the monitoring during 2016/17, are expected to persist in 2017/18. Planning Application fees have been reduced due to Government deregulation and the extension of “prior approvals” which are not subject to the usual charging process. On Land Charges, the pressure of alternative providers as well as the requirement to add VAT to the current charge are expected to reduce demand.
- Freeze on parking charges – the standard increase on controllable fees and charges is 2.5%. This would generate an additional £35,000 if applied to pay and display income. The proposal to freeze charges at current levels will cost MVDC the lost additional income.
- Contribution to Capital – the Council recognises as good practice the provision of a regular payment from revenue resources towards repetitive capital minor works programmes (such as boiler replacements and playground resurfacing), when affordable. The reduction in Government grant, particularly the late notification of reduced New Homes Bonus, has prevented the Council from including such a provision in the 2017/18 budget. However, there remains a balance of £4.6m in the reserve created through previous contributions of this nature.

Asset Investment Strategy (estimated revenue budget reduction of £750,000 over three years)

26. The Asset Investment Strategy, approved by Council in October 2016, provides for the investment of £48m of capital borrowing to generate a net revenue return of £750,000 over the three years from 2017/18 to 2019/20.
27. The Council is not legally able to undertake borrowing and investment on the scale envisaged in its own name. A wholly owned company structure has therefore been put in place to enable the objectives of the Strategy to be realised.

New Budget Proposals 2017/18 (budget addition of £157,000 in 2017/18)

28. The Administration has included new proposals in the 2017/18 budget as follows:

Family Support Programme (FSP) - £13,000 in 2017/18

The FSP co-ordinates multi-agency support to some of the most vulnerable families in the District and provides invaluable resettlement support to families under the Vulnerable Persons Relocation scheme. This programme was cost neutral up until 2016/17 when changes to existing funding (from DCLG) meant that MVDC, along with its partners in Reigate and Banstead and Tandridge Councils, began contributing to the service. In 2016/17, MVDC contributed £20,000 with a further £13,000 required in 2017/18, £21,000 in 2018/19 and £25,000 in 2019/20.

Grant towards East Surrey Outreach Service (e-SOS) charity for rough sleepers - £25,000 per year

The Outreach Service makes direct contact with rough sleepers and provides support, guidance and accommodation options to entrenched rough sleepers with complex needs. It has been funded initially by the DCLG through a time limited funding programme plus a contribution from the Office of the Police & Crime Commissioner. The proposal now is for the four East Surrey partners (MVDC, Reigate & Banstead, Tandridge and Epsom & Ewell) to share the £100,000 required for core funding of the service equally between them.

Additional resources for Planning enforcement - £39,000 per year

The MVDC Planning Enforcement Team checks that conditions attached to planning applications are complied with and deals with complaints about alleged breaches of planning controls. It currently comprises two members of staff. A new post of Senior Planning Enforcement Officer would (i) contribute to the delivery of a more comprehensive and timely service; (ii) raise the profile of the service and act as a deterrent; (iii) improve response times allowing unauthorised development to be challenged and stayed; (iv) reduce costs of formal enforcement action.

Local Plan resources for consultancy and the Inquiry - £80,000 per year for two years

The review of the Local Plan takes place on a 5 – 10 year cycle. Workload peaks during the review process, particularly evidence gathering and consultation. Some of the evidence is specialist in nature and requires expertise from outside the Council. The one-off costs of the necessary external consultancy support are estimated at £80,000 for 2017/18. Costs of the examination of the Local Plan by the Planning Inspector would be expected to follow in 2019/20, for which a further £80,000 will be required.

Items to be funded from reserves in 2017/18

29. The Council has approved the set aside of £1.0m in connection with the Transform Leatherhead Project. This sum has been earmarked from within the Council's reserves.
30. As part of the Transform Leatherhead project, the Council purchased Claire House & James House in Leatherhead during 2015/16. Pending development of these premises, ongoing annual costs for rates and security of around £80,000 are being charged to reserves.
31. A one-off sum of £30,000 has been identified as necessary to fund work to assess the potential for the Council to find new and innovative ways of delivering affordable housing and what those delivery methods might be. The commitment was made as part of the Affordable Housing position statement, agreed by the Executive on 22<sup>nd</sup> March 2016. It will be funded from the earmarked £1m reserve.

Council Tax Support Scheme

32. The Council adopted, four years ago, the "default" scheme supplied by Government in relation to the introduction of Council Tax Support. In line with the Council's resolution in December 2013, the Corporate Head of Service, in consultation with the Executive Member for Community Services & Housing, has decided that the Council will continue to apply this scheme in 2017/18.

Members' Allowances

33. The Council, at its meeting on 18 February 2014, accepted the recommendation of the independent remuneration panel in relation to Members' allowances that, if the Council

so determines, all Members' allowances can be increased on 1<sup>st</sup> April 2014, 2015, 2016 and 2017 in line with the national pay award for local government staff. The proposal for 2017/18 is to tie the increase in allowances to the change in local, rather than national, pay.

34. The four year recommendation of the previous Remuneration Panel has now run its course. A new panel and report will be commissioned during 2017/18 to provide an updated set of recommendations.

#### Beyond 2017/18 – issues for the revenue budget in future years

35. The project to build 500 houses alongside the North Leatherhead By-Pass has been mentioned in previous budget reports. If it happens, there will be an impact on Council Tax receipts and New Homes Bonus, but it was judged last year that the planning complications made these receipts too remote to be included in future years' budgets. This remains the case.

### **Council Tax**

36. The Administration is recommending that Band D Council Tax levels increase by 3% in 2017/18 to give a Council Tax of £168.56 for properties in this Band. The Government currently allows increases of up to 2% or £5 on Band D, whichever is higher, before a referendum is triggered. For Mole Valley, £5 on Band D equates to an increase of 3% on Council Tax.

### **Capital Programme and Borrowing Strategy**

37. The proposed capital programme for 2017/18 includes a range of major (over £50,000) and minor (under £50,000) schemes and is set out in Appendix C. The Appendix also shows current, ongoing schemes in 2016/17, many of which will be works in progress at the end of the year and will be automatically rolled forward to be progressed and spent in 2017/18.
38. The Programme includes £48m as part of the Asset Investment Strategy. This spending will be undertaken by the separate company set up for this purpose. This will allow the Council to maintain a capital programme aimed at both improving the delivery of services as well as investment linked to prudent, affordable and justified borrowing. However, borrowing will not be undertaken in support of the day-to-day running of services.
39. The Treasury Management Strategy for 2017/18 is to be presented to Council in early 2017. It provides for the Council to borrow as required and sets appropriate Prudential Code indicators to ensure that any borrowing is controlled, sustainable and affordable.

### **RESERVES AND BALANCES**

#### **Revenue Balances**

40. The Council's available revenue balances, as at the year end 2015/16, were £5.29m. During 2016/17, £4m of this total has been repaid early in settlement of the outstanding liability on the Pension Fund in order to generate ongoing savings of £0.4m per year on the revenue budget.

## **Capital Reserves**

41. The Council's reserves that are available to finance the capital programme stood at £13.5m on 31.3.2016. £1m has been allocated in support of the Transform Leatherhead project. The remainder will not be sufficient to cover the anticipated level of capital expenditure during 2016/17 and the Council has borrowed to meet the capital commitments due before the end of the year.

## **OPTIONS**

42. The Executive has two options for consideration

**Option One** – to agree to the recommendations contained in this report having given consideration to the views of the Standing Budget Panel and Scrutiny Committee.

**Option Two** – To make alternative recommendations.

## **CORPORATE IMPLICATIONS**

### **Monitoring Officer's Commentary**

43. All relevant legal implications have been taken into account

### **Financial implications**

#### **Statement of s151 Officer: Adequacy of Reserves, Robustness of Estimates, Budget Monitoring and prudential indicators**

44. The Local Government Act 2003 introduced responsibilities for the Chief Financial Officer (at MVDC this is the Deputy Chief Executive / Section 151 Officer pursuant to the 1972 Local Government Act) to form a view on the robustness of the budget calculations and the adequacy of revenue and capital balances and reserves and duly report that view at the time Members make decisions on the revenue and capital budgets.

#### **Adequacy of Reserves**

45. There is a statutory requirement for the Chief Financial Officer to report at budget time on the adequacy of reserves held by the Council. The current position on revenue and capital balances, as well as earmarked reserves, is outlined in the report above. The Section 151 Officer confirms that, for 2017/18, the Council's revenue reserves are adequate. However, the increase in the capital programme in recent years has generated increased capital spending. The level of capital reserves is forecast to fall below the £8m level, which the Council has previously adopted as its guideline minimum. This is an inevitable and expected consequence of the increased capital spend activity. Planned capital spending and financing is set out in the new capital programme, underpinned by a revised Treasury Management Strategy and the Asset Investment Strategy.

#### **Robustness of Estimates**

46. The 2003 Act requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates.

47. The Section 151 Officer's overall view is that the estimates are sufficiently robust, having been prepared following well-established processes based on best practice and officer's professional judgment that have produced robust estimates in the past.

#### Budget Monitoring

48. The 2003 Act also requires local authorities to monitor their income and expenditure against their budget, and to take action if overspends or shortfalls in income emerge. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take the necessary remedial action. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves (within the parameters of the MTFs).
49. Four years ago, the Council moved from a quarterly performance and budget monitoring cycle to a monthly one. Officers will continue to report financial monitoring and performance information monthly during the year to Members.
50. The position reported at the end of 2016/17 month 8 identified a £170,000 projected overspend. The factors contributing to this position have been taken into account in formulation of the new budget.

#### Prudential Indicators

51. Under the Prudential Code on Capital Finance introduced in April 2004, the capital programme is based on the Council's assessment of affordability, sustainability and prudence.
52. The Section 151 Officer has considered the revenue consequences of the proposed capital programme in agreeing the budget for 2017/18 and the resultant risk and dependency the budget has on interest earned from capital and revenue balances. The revenue costs of the programme are built into the budget for 2017/18 and future years.
53. The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. The recommended indicators, including explanatory notes, will be presented to Council on 21 February 2017 in the Council's Treasury Management Strategy 2017/18.

#### **Risk Implications**

54. The Council's Corporate Strategy is underpinned by a set of robust risk management arrangements which are reviewed by the Audit Committee on a regular basis. A strategic review of risk across the organisation has resulted in the identification of key strategic risk areas and these are set out in the Strategic Risk Register.
55. One of the strategic risks in the register is the failure to deliver the Medium Term Financial Strategy and a mitigating control is undertaking the annual budget setting process. Another strategic risk relates to the use of the Council's assets to generate the income needed to replace reduced grant funding.

#### **Equalities Implications**

56. An Equality Impact Assessment (EIA) has been completed for the budget proposals and is attached at Appendix D.

### **Employment Issues**

57. Human Resource implications have been fully considered in the report.

### **Sustainability Implications**

58. The budget supports delivery of the aims of the Corporate Strategy which currently includes specific priorities on the delivery of improved recycling rates and taking an active role in flood management.

### **Communications**

59. The revised level of Council Tax will be notified to residents by newspaper announcement as well as via the Council's website. Monitoring of the budget during 2017/18 will be reported monthly to the Executive.

### **Consultation**

60. This report sets out the Administration's budget proposals, which have been considered by the Standing Budget Panel; this report will be considered by the Scrutiny Committee and the Executive. Separate consultation discussions have taken place with Parish Councils, Chambers of Commerce and other representative organisations.

### **Background Papers**

61. None.

# Championing Mole Valley: Corporate Strategy 2015-19

## Vision

*A place where people want to live, work, do business and spend their leisure time*



## Values

- We listen
- We respect
- We care
- We trust
- We lead



## Guiding Principles



### Sustainability

Meeting the needs of the present without compromising future generations requires responsible decision making and innovation. Helping communities to be resilient is an important aspect of this principle.



### Cost effectiveness

By applying a cost-effective approach to delivering and developing services we are able to give residents the best deal. Reviewing the way in which we provide our services ensures that we focus on what matters most and that we deliver services that are value for money.



### Openness and accessibility

Residents need clear timely information that enables them to help themselves, with support for those who need it. Listening to and involving residents is an important part of how we make decisions, develop our services, and help people to shape their communities.

## Priorities

### ENVIRONMENT

**A highly attractive area with housing that meets local need**

To support this priority, together with our local communities and partners, we will:

- Protect and enhance the natural and built environment and ensure our areas of natural beauty are well looked-after
- In consultation with the community, develop plans for how land is used in Mole Valley. We will set out proposals for residential, leisure, and commercial development, which balance residents' needs with protection of the Green Belt
- Pursue policies that encourage the creation of affordable housing
- Support residents and businesses in caring for their local environment by tackling fly-tipping, littering and dog fouling
- Encourage residents to protect our wider environment by facilitating the recycling and reuse of materials
- Work with other agencies to protect the District from the effects of climate change and environmental pollution, paying particular attention to flooding and air quality.

### PROSPERITY

**A vibrant local economy with thriving towns and villages**

To support this priority, together with our local communities and partners, we will:

- Continue to drive the transformation of Leatherhead Town Centre and support the market-town culture and economy of Dorking
- Work with rural communities and businesses to build on their unique strengths and address their challenges, helping them thrive and become more sustainable
- Adopt a pro-business outlook across the District, addressing infrastructure needs, in particular parking provision which balances the needs of residents and local businesses
- Look for innovative ways to minimise the cost to taxpayers of Mole Valley District Council whilst protecting services.

### COMMUNITY WELLBEING

**Active communities and support for those who need it**

To support this priority, together with our local communities and partners, we will:

- Improve opportunities for residents to live safe and healthy lives
- Deliver a programme of inclusive sports and wellbeing activities, increasing participation across all generations and targeting those communities most in need
- Foster community spirit, encouraging individuals, families and communities to support each other especially in times of particular need
- Support individuals and families who find themselves unintentionally homeless, seeking to minimize disruption to education and employment
- Work with cycling and other leisure groups to encourage healthy lifestyles, and responsible enjoyment of our parks, open spaces, countryside and roads.

## CORPORATE STRATEGY – updates to wording

## ENVIRONMENT

	Current wording	Revised wording	Key changes
1	Protect and enhance the natural and built environment and ensure our areas of natural beauty are well looked after	No change	No Change
2	In consultation with the community, develop plans for how land is used in Mole Valley. Whilst safeguarding the Green Belt, we will set out proposals for jobs and homes, retail, leisure and commercial development	In consultation with the community, develop plans for how land is used in Mole Valley. We will set out proposals for residential, leisure, and commercial development, which balance residents' needs with protection of the Green Belt	'..safeguarding the Green belt' amended to '..balance residents needs with protection of the Green Belt
3	Identify opportunities to create more affordable housing	Pursue policies that encourage the creation of affordable housing	'Identify opportunities' updated to 'Pursue policies'
4	Encourage residents to protect the environment by reducing their use of our natural resources, reusing materials and recycling more	Encourage residents to protect our wider environment by facilitating recycling and energy efficiency	Inclusion of reference to energy efficiency
5	Help protect our communities and their properties by taking an active role in flood management	Help prepare the District to meet the challenges of climate change, paying particular attention to air quality and flood management.	Wider focus on climate change and air quality.
6	Encourage our communities to take care of their environment, and support them by tackling fly-tipping, littering and dog fouling	Support residents and businesses in caring for their local environment by tackling fly-tipping, littering and dog fouling	'Encourage our communities' updated to 'Support residents and businesses'

## PROSPERITY

	Current wording	Revised wording	Key changes
7	Begin the transformation of Leatherhead town centre	Continue to drive the transformation of Leatherhead Town Centre and support the market-town culture and economy of Dorking	Two objectives merged. 'Begin transformation' updated to 'Continue' transformation
8	Promote the culture and economy of the market town of Dorking		'Promote' updated to '..support' [Dorking]
9	Work with rural communities and businesses to help them thrive	Work with rural communities and businesses to build on their unique strengths and address their challenges, helping them thrive and become more sustainable	Added in '..building on their unique strengths and address their challenges'  Added in '..helping businesses become 'more sustainable'
10	Promote business opportunities across the District	Adopt a pro-business outlook across the District, addressing infrastructure needs, in particular parking provision which balances the needs of residents and local businesses	Two objectives merged. Updated 'Promote business opportunities' to 'Adopt a pro-business outlook'
11	Make best use of our town centre parking, balancing the needs of residents and local businesses		Added in reference to '..addressing infrastructure needs'  Updated '..town centre parking' to '..parking provision'
12	Look for innovative ways to minimise the cost to taxpayers of Mole Valley District Council whilst protecting the standard of services.	Look for innovative ways to minimise the cost to taxpayers of Mole Valley District Council whilst protecting services.	Updated '..protecting the standard of services' to '..protecting services'

## COMMUNITY WELLBEING

	Current wording	Revised wording	Key changes
13	Improve opportunities for residents to live active lives	No change	N/A
14	Deliver a programme of inclusive sports and wellbeing activities, which increase participation across all generations, targeting our communities which are most in need	Deliver a programme of inclusive sports and wellbeing activities, increasing participation across all generations and targeting those communities most in need	Minor changes to wording: 'increasing' updated to 'which increase'  'targeting our communities which are' updated to 'targeting those communities which are'
15	Promote community spirit, encourage individuals, families and communities to support each other and help our neighbourhoods to be more resilient in times of need	Foster community spirit, encouraging individuals, families and communities to support each other especially in times of particular need	'Promote' updated to 'foster'  '..be more resilient in times of need' updated to ' '..especially in times of particular need'
16	Support individuals and families who find themselves unintentionally homeless so that education and employment are not put at risk	Support individuals and families who find themselves unintentionally homeless, seeking to minimize disruption to education and employment	'..so that education and employment are not put at risk' updated to ' '..seeking to minimise disruption to education and employment'
17	Make the most of local cycling opportunities to promote sustainable travel and support our rural economy whilst educating cyclists and other road users, and protecting residents and businesses from the impacts of formal and informal cycling events	Work with cycling and other leisure groups to encourage healthy lifestyles, enjoyment of our countryside and responsible road use.	Reworded to include reference to healthy lifestyles and other leisure groups as well as cycling.

## UPDATED MEDIUM TERM FINANCIAL PLAN

## REVENUE BUDGET 2017/18, 2018/19 &amp; 2019/20

	BASE BUDGET 2016/17 £000	PROPOSED BUDGET 2017/18 £000	INDICATIVE BUDGET 2018/19 £000	INDICATIVE BUDGET 2019/20 £000
<b>1. FUNDING</b>				
Council Tax	-6,441	-6,650	-6,866	-7,090
Business Rates	-1,369	-1,596	-1,424	-633
Government Revenue Support Grant (RSG)	-270	0	0	0
Government Transitional Relief	-119	-71	0	0
New Homes Bonus	-1,325	-988	-400	-300
Interest on financial investments less interest payments and MRP	-448	-124	75	75
<b>TOTAL INCOME</b>	<b>-9,972</b>	<b>-9,430</b>	<b>-8,616</b>	<b>-7,947</b>
<b>2. SPENDING</b>				
<u>Previous Year Base Budget</u>				
- pay	10,394	10,498	10,812	11,028
- contracts and other costs	12,449	12,476	12,378	12,539
- income from fees & charges, specific grants and recharges	-12,788	-13,002	-13,760	-14,977
	10,055	9,972	9,430	8,590
Inflation - pay, price and fees & charges	14	193	292	284
Technical amendments and changes (unavoidable or due to previous year commitments)	-97	-11	-105	
<u>2017/18 Changes</u>				
- Revenue implications of Pippbrook & Meadowbank capital		-271	-70	
- Apprenticeship Levy		25		
- Loss of Counter Fraud grant		40	0	
- Pensions : Impact of early repayment		-420	0	0
- Waste : adjusted Gate Fees and Recycling Credits		150		
- Contribution to capital from revenue		-400	100	-100
- Reduced income on Planning Applications and Land Charges		70		
- Joint Waste Initiative		80	-805	-448
- freeze pay & display car parking charges at current level		35		
<u>New Budget Proposals</u>				
- Family Support Programme		13	8	4
- e-SOS charity for rough sleepers		25		
- extra resources for Planning enforcement		39		
- Local Plan consultancy and Inquiry		80		-80
<u>Asset Investment Strategy</u>				
- capital financing costs, including MRP		510	715	815
- gross additional rent from asset investments		-700	-975	-1,115
<b>TOTAL SPENDING</b>	<b>9,972</b>	<b>9,430</b>	<b>8,590</b>	<b>7,950</b>
<b>3. TO BALANCE BUDGET</b>				
<b>Surplus / Savings Required (-)</b>		<b>-1</b>	<b>26</b>	<b>-3</b>

## UPDATED MEDIUM TERM FINANCIAL PLAN

## CAPITAL PROGRAMME 2016/17 - 2019/20

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	Updated Capital Programme £000	Capital Programme £000	Capital Programme £000	Capital Programme £000
<b>MAJOR PROJECTS</b>				
<b>1. CAPITAL PROJECTS</b>				
Emergency Accommodation (Phase 1 & 2)	1,700			
Swan Centre Leatherhead - purchase of lease	8,618			
Pippbrook HQ refurbishment	4,500			
Meadowbank, Dorking - regeneration	6,476			
Deepdene Trail (HLF funded)	928			
Leatherhead Youth Football Club	920			
Leatherhead High Street (Developer Contributions)	488			
Carbon Reduction Project	300			
KGV Playing Fields Improvements	100			
Pippbrook House	201			
<b>2. CAPITAL BLOCK SUMS</b>				
Disability Adaptations	606	600	600	600
Affordable Housing	1,470	500	500	500
Developer Contributions (s106/CL)	115	250	250	250
Community Grants	60	74	74	74
Playground Refurbishment	244	60	60	60
Capitalised salaries	477	487	497	507
Telecare Equipment (multi-year allocation)	151			
Dial-A-Ride Vehicle Replacement (multi-year allocation)	200			
Property Projects	150			
<b>TOTAL MAJOR PROJECTS</b>	<b>27,704</b>	<b>1,971</b>	<b>1,981</b>	<b>1,991</b>
<b>MINOR CAPITAL PROJECTS</b>	<b>1,816</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>ASSET INVESTMENT STRATEGY</b>	<b>48,530</b>			
<b>TOTAL CAPITAL</b>	<b>78,050</b>	<b>2,671</b>	<b>2,681</b>	<b>2,691</b>

# Equality Impact Assessment

MVDC Budget 2017/18

<b>What is being assessed?</b>	<b>MVDC Budget 2017/18</b>
<b>Department</b>	<b>Finance</b>
<b>Name of assessor/s</b>	<b>Phil Mitchell</b>
<b>Strategic Management Lead</b>	<b>Nick Gray</b>
<b>Date</b>	<b>December 2016</b>
<b>Is this a new or existing function or policy?</b>	<b>New budget proposals for 2017/18 that have been added to the roll forward of existing budget from 2016/17</b>

## **Section 1: Introduction and background**

**Please describe your service or function .**

The proposed budget for 2017/18 maintains the existing scope, range and level of service provision.

The proposed new budget will protect services at their existing levels despite reductions in or withdrawal of funding to Mole Valley District Council.

There are five new budget proposals:

- (i) £13k contribution to the county-wide Family Support Programme (FSP)** which works intensively with complex families to support them to address multiple issues that they are facing in their lives. These issues may include anti-social behaviour, truancy, health problems including mental health, domestic abuse, unemployment, and housing issues. The programme also co-ordinates support to Syrian Refugee families arriving as part of the Vulnerable Persons Resettlement Scheme.
- (ii) £25k contribution to the East Surrey Outreach Service (eSOS)** which works with a range of agencies to reduce homelessness and provide support, guidance and accommodation options to rough sleepers with complex needs, as well as prevention for those who might be facing homelessness for the first time.
- (iii) £30k for consultancy work to look at alternative delivery models for affordable housing** - despite MVDC having invested nearly £6m in capital towards 438 new affordable homes developed since stock transfer in 2007/08, there is a commitment to look at new and innovative ways to enable development of more.

- (iv) **£39k for a new Senior Planning Enforcement Officer post** which will contribute to the delivery of a more comprehensive and timely service; raise the profile of the service and act as a deterrent to anyone acting without planning permission; improve response times to challenging unauthorised development; and reduce costs of formal enforcement action.
- (v) **£80k for consultancy support for the review of the Local Plan** which has to be underpinned by evidence to inform decisions on how much and where development should take place over the plan period. Forecast demand needs to be balanced against constraints on new development to best achieve the economic, social and environmental objectives of MVDC.

**Now describe how this fits into the Council's Corporate Priorities or other local, regional or national plans and priorities.**

The 2017/18 budget proposals reflect the priorities in the Mole Valley District Council Corporate Strategy 2015-19. The Family Support Programme fits under our Community Wellbeing priority outcome of 'active communities and support for those who need it'; and the East Surrey Outreach Service helps MVDC to address its aim to 'support individuals and families who find themselves unintentionally homeless'. The work to be undertaken to examine alternative delivery models for affordable housing feeds into our stated aim to 'identify opportunities to create more affordable housing'. The planning enforcement post will address the Environment priority outcome of delivering 'a highly attractive area with housing that meets local need' and the consultancy support for the Local Plan will help ensure that we successfully 'develop plans for how land is used in Mole Valley.'

**If you are not carrying out an equality impact assessment, briefly summarise reasons why you have reached this conclusion, the evidence for this and the nature of any stakeholder verification of your conclusion.**

N/A

## **Section 2: Analysis and assessment**

**Given available information, what is the actual or likely impact on minority, disadvantaged, vulnerable and socially excluded groups?**

Indicate for each of the 'protected characteristics' whether there may be a positive impact, negative impact, a mixture of both or no impact.

Protected characteristics	Positive	Negative	No impact	Reason
Age	√			The Family Support Programme aims to have a positive impact on the outcomes for children and young people in troubled families.
Disability	√			The Family Support Programme aims to help those with health problems including mental health issues.  The East Surrey Outreach Service provides support to rough sleepers with complex needs which may include various disabilities.
Gender reassignment			√	It is not considered that the budget changes will have a particular impact, positive or negative, on individuals undergoing gender reassignment.
Marriage and civil partnership			√	It is not considered that the budget changes will have a particular impact, positive or negative, on individuals due to their marriage or civil partnership status.
Pregnancy and maternity			√	It is not considered that the budget changes will have a particular impact on women who are pregnant or on maternity leave.
Race	√			The Family Support Programme co-ordinates support to Syrian Refugee families arriving as part of the Vulnerable Persons

				Resettlement Scheme.
Religion or belief			√	It is not considered that the budget changes will have a particular impact on any religious/belief groups.
Sex			√	It is not considered that the budget changes will have a particular impact due to a person's sex.
Sexual orientation			√	It is not considered that the budget changes will have a particular impact due to a person's sexual orientation.
<b>Other aspects to consider</b>	<b>Positive</b>	<b>Negative</b>	<b>No impact</b>	<b>Reason</b>
Carers	√			The Family Support Programme works with families with multiple issues which may include adults and children with caring roles.
Rural/urban issues			√	It is not considered that the budget changes will have a particular impact, positive or negative, on service users because of where they live.
HR issues			√	It is not considered that there are any equalities issues relating to the proposed additional member of staff for Planning .

What can be done to reduce the effects of any negative impacts? Where negative impact cannot be completely diminished, can this be justified, and is it lawful?

N/A

Where there are positive impacts, what changes have been or will be made? Who are the beneficiaries? How have they benefited?

Beneficiaries of the contributions towards the Family Support Programme and the East Surrey Outreach Service are some of the most vulnerable people in the District - including individuals and families with protected characteristics that have a history of disengagement from statutory services and many have been excluded from all other support options or accommodation solutions due to their behaviour.

### Section 3: Evidence gathering and fact-finding

What evidence is available to support your views above? Please include:

- A summary of the available evidence
- Identification of where there are gaps in the evidence (this may identify a need for more evidence in the action plan)
- What information is currently captured with respect to usage and take up of services.
- What the current situation is in relation to equality and diversity monitoring (where relevant)

The East Surrey Outreach Service (eSOS) works with a significant number of clients with complex needs. In the first 12 months 74% (103) of individuals supported by the service had been homeless individuals, experiencing mental health issues, alcohol and substance misuse issues and/or are ex-offenders. The majority of clients to date have been male (83.6%). These figures are reinforced by the recent Surrey Homelessness Health Needs Audit 2016, and a copy can be made available. The outcomes from the project are monitored monthly by the partnership board. Each of the key members analyses the statistics from eSOS against their own local area statistics in order to evidence the achievements of the project. Detailed outcome statistics can be provided.

The Family Support Programme (FSP) worked with over 600 of the most complex families across Surrey and 140 across the South East in 2015/16. This multi agency activity co-ordinated by the FSP has seen reductions in anti-social behaviour, improvements in school attendance and a host of other issues that could otherwise have escalated. The target for the South East programme for 2016/17 is to work with 147 families through the programme. This target will be equivalent for the next 3 years. This is a challenging target for the programme and requires multi-agency co-operation to achieve.

How have stakeholders been involved in this assessment? Who are they, and what is their view?

The budget proposals are being considered by the Standing Budget Panel, Scrutiny Committee and the Executive. Separate consultation discussions have taken place with Parish Councils, Chambers of Commerce and other representative organisations.

### Recommendations

Please summarise the main recommendations arising from the assessment. NB If it is impossible to diminish negative impacts to an acceptable or even lawful level the recommendation should be that the proposal or the relevant part of it should not proceed.

N/A

### Summary

<b>Review date</b>	December 2016
<b>Person responsible for review</b>	Phil Mitchell
<b>Strategic Management Lead signed off</b>	Nick Gray