

GENERAL FUND SUMMARY

	ESTIMATE 2017/18 £	ESTIMATE 2018/19 £
TOTAL PROGRAMME REQUIREMENTS	9,187,017	5,810,060
MTFS savings requirement	-100,000	-100,000
PROGRAMME REQUIREMENTS AND SAVINGS TARGETS	9,087,017	5,710,060
Management of Change	250,000	250,000
Risk Contingency	250,000	250,000
New Homes Bonus	-1,820,484	-1,386,037
Business Rates Surrey Pool/Pilot	-200,000	-200,000
PFI Unitary Charge and management	175,000	175,000
Investment Programme items funded from revenue	394,000	289,000
NET COST OF SERVICES	8,135,533	5,088,023
<u>INTEREST AND OTHER ITEMS</u>		
- Interest costs	21,154,259	28,806,189
- Interest and Investment Income	-14,499,378	-18,662,586
NET OPERATING EXPENDITURE	14,790,414	15,231,626
<u>USE OF RESERVES/BALANCES</u>		
- Contribution to Investment Strategy Reserve	1,447,462	1,345,805
- Use of/contribution to MTFS Reserve	-644,217	-308,911
- New Homes Bonus transferred to Reserve	620,484	386,037
- Contribution from Wolsey Place reserve	-1,003,347	-1,003,347
- Contribution from Capital Reserves	-3,160,018	-3,339,020
- Contribution from Reserves - Management of Change	-250,000	-250,000
- Contribution from Reserves - IP items funded from revenue	-394,000	-289,000
AMOUNTS TO BE MET FROM LOCAL TAXATION AND GOVERNMENT GRANTS	11,406,778	11,773,190
EXTERNAL FINANCE - SETTLEMENT FUNDING ASSESSMENT	-1,991,997	-2,057,592
- Transition Grant	-112,000	0
PRECEPT ON COLLECTION FUND	9,302,781	9,715,598
<u>FORECAST COUNCIL TAX LEVEL</u>		
Precept on Collection Fund (from above)	9,302,781	9,715,598
Working share of Collection Fund Surplus(-)/Deficit	-116,265	-136,734
	9,186,516	9,578,864
Council Tax Taxbase	40,521	41,030
Council Tax Requirement (£)	£226.71	£233.46
Year on year increase (£)	£4.95	£6.75
Year on year increase (%)	2.23%	2.98%

SUMMARY OF VARIATIONS

	People £	Place £	Us £	Total £
Original Estimate 2017/18	7,908,495	-3,961,180	5,239,702	9,187,017
<u>General Budget Pressures</u>				
Changes in Management and Administration costs	1,366,797	-326,714	179,751	1,219,834
Changes in Capital Charges	269,873	-36,614	0	233,259
Contractual Inflation	13,000	16,532	0	29,532
Changes in Facilities Management Contract	4,594	150,152	0	154,746
Changes in Energy Costs	-56,990	92,233	0	35,243
Business Rates Changes	898	60,852	0	61,750
Changes in Insurance	0	-2,301	0	-2,301
Changes in Fees and Charges	-35,687	-264,067	-7,500	-307,254
Other Minor Variations	972	3,568	-3,795	745
<u>Specific Service Issues</u>				
Women's Support Centre administration costs	31,000			31,000
Direct funding of The Junction - previously supported by Grant	32,000			32,000
Grants budget reduction to cover WAVS	-91,000			-91,000
Leisure Management Contract Fee				
- Annual indexation	-16,242			-16,242
- Impact of investment in facilities	23,365			23,365
- Additional fee for Hoe Valley Leisure facilities	170,404			170,404
Other running costs for Hoe Valley Leisure Facilities	171,667			171,667
Changes in Grounds Maintenance	13,200			13,200
Homelessness Reduction Act Resource	133,394			133,394
Homelessness Flexible Support Grant	-238,394			-238,394
Selective Licensing Fees & Financial Penalties	-326,820			-326,820
Let's Rent - Private Rented Sector Access Scheme Policy	105,000			105,000
Brockhill Refurbishment	5,000			5,000
Additional Community Meals Vehicle	10,000			10,000
3rd Handyperson and Additional Activity	22,454			22,454
Homelink Surrey County Council Funding	-54,750			-54,750
Changes in Centres and Meals on Wheels Fee Income	1,347			1,347
Surrey County Council Social Care Funding - Meals	-14,649			-14,649
Housing Related Support Funding	10,147			10,147
Environmental Maintenance - reduction in SCC funding		57,545		57,545
New Waste Contract savings		-100,000		-100,000
Waste staff and capital costs previously accounted for elsewhere		34,745		34,745
Waste contribution reduction from Surrey County Council		207,966		207,966
20% National increase in Planning Fees		-100,000		-100,000
Commercial Properties and other Rent Income adjustments		-272,465		-272,465
Commercial Properties Rent payable		121,750		121,750
Reduction in Wolsey Place rents (VSWL)		700,000		700,000
New Acquisitions Rents and maintenance		-5,706,510		-5,706,510
Market costs not rechargeable		45,542		45,542
Parking card handling and banking fees		1,978		1,978
Changes in Service charge to cover extra HG Wells Kitchen cost		30,000		30,000
Reinstate Borough Elections for 2018/19			117,070	117,070
Peace Garden Commemorative Service			10,000	10,000
Members Allowances			2,500	2,500
Increased Debit and Credit Card costs			15,000	15,000
Credit Card surcharges no longer recoverable			18,000	18,000
Reduction in audit fees			-9,000	-9,000
Increase in Statutory Advert costs			22,000	22,000
Reduction in Housing Benefit Admin subsidy			14,245	14,245
Original Estimate 2018/19	9,459,075	-9,246,988	5,597,973	5,810,060

INVESTMENT STRATEGY RESERVE

APPENDIX 2B

	2017/18 Original £'000	2017/18 Revised £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Balance Brought Forward	4,127	4,983	4,274	3,571	2,789
Source of Funds					
Planned contribution from General Fund	1,448	1,448	1,346	1,335	1,335
New Homes Bonus	620	620	386	518	353
Transfer from Town Centre Management Reserve	150	150	150	150	150
2017/18 Forecast overspend (December Green Book)		-41			
Total Available Funds	6,345	7,160	6,156	5,574	4,627
Use of Funds					
Management of Change (GF only)	-250	-250	-250	-250	-250
Use of Selective Licensing Surplus				-180	
Financing IP Revenue Items	-269	-604	-289	-269	-269
Sheerwater Social Support (now funded from New Homes Bonus)	-125	-151	-150	-150	-150
Celebrate Woking	-125	-74	-74	-74	-74
Community Transport - Replacement Vehicles		-489	-750	-600	
Flood Prevention schemes	-750		-18		
Best Bar None				-76	-147
Grant to Brookwood Cemetery		-30			
Queen Elizabeth Gardens Drainage, Landscaping & Lighting					
Total Use of Funds	-1,519	-1,598	-1,531	-1,599	-890
Transfer to Other Revenue Reserves					
Transfer to Wolsey Place reserve	-300	-300	-300	-300	-300
Transfer to New Homes Bonus Reserve	-620	-620	-386	-518	-353
Transfer to Equipment reserve	-50	-50	-50	-50	-50
Transfer to Town Centre Management Account Reserve	-208	-92	-92	-92	-92
Transfer of On-street Parking to Surrey	-116	-116	-116	-116	-116
Transfer to Community Fund	-100	-100	-100	-100	-100
Transfer to Provision for Flexibility	-10	-10	-10	-10	-10
Total Transfer to Other Revenue Reserves	-1,404	-1,288	-1,054	-1,186	-1,021
Balance Carried Forward	3,422	4,274	3,571	2,789	2,716

INVESTMENT STRATEGY RESERVE

APPENDIX 2B

	2017/18 Original £'000	2017/18 Revised £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<u>Group Company reserve</u>					
balance b/f	750	750	750	750	750
in year movement	0	0	0	0	0
balance c/f	750	750	750	750	750
<u>Wolsey Place reserve</u>					
balance b/f	6,270	6,325	5,402	4,564	3,824
Contribution to reserve	300	300	300	300	300
Under-recovery of rents/service charges	-1,003	-1,003	-1,003	-1,003	-1,003
Victoria Square Financial Modelling		-17			
Refurbishments	-200	-433	-330	-200	-200
Subtotal	5,367	5,172	4,369	3,660	2,921
Interest (included in GF Summary - Interest costs)	268	230	195	164	135
	5,635	5,402	4,564	3,824	3,056
<u>New Homes Bonus reserve</u>					
balance b/f	1,014	1,352	670	31	0
In year income (net of GF support, £1.2m assuming 300 properties pa)	620	620	386	518	353
Sheerwater Access Road reserve repayment of loan funding	-400	-400	-400		
Grant to Brookwood Cemetery	-500	-802	-500	-424	-353
West Byfleet Play Area		-35			
Sheerwater Social Support		-25	-125	-125	
Developing a Favourable Conservation Status Licence		-40			
balance c/f	734	670	31	0	0
<u>Insurance reserve</u>					
balance b/f	450	521	477	477	477
Sheltered Housing Alarms		-20			
Emergency Planning Vehicle		-24			
Corporate Insurance Procurement					
balance c/f	450	477	477	477	477
<u>Equipment reserve</u>					
balance b/f	260	280	330	360	390
Contribution to reserve	50	50	50	50	50
Planned use of reserve	0	0	-20	-20	-24
balance c/f	310	330	360	390	416

INVESTMENT STRATEGY RESERVE

APPENDIX 2B

	2017/18 Original £'000	2017/18 Revised £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
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Business Rates Equalisation Reserve

balance b/f	604	2,199	1,349	1,349	1,349
Grant timing adjustments					
Victoria Arch - Network Rail (fund from NDR pilot -moved to NDR reserve)		-650			
Contribution to reserve - pooling benefit		-200			
balance c/f	604	1,349	1,349	1,349	1,349

Local Council Tax Support Scheme Hardship Fund

balance b/f	48	48	48	48	48
Contribution to reserve	0	0	0	0	0
Planned use of reserve					
balance c/f	48	48	48	48	48

Town Centre Management Account Reserve (TCMA)

balance b/f	338	338	280	222	164
Contribution to reserve	208	92	92	92	92
Planned use of reserve	-150	-150	-150	-150	-150
balance c/f	396	280	222	164	106

Medium Term Financial Strategy Reserve (MTFS)

balance b/f	1586	2,700	2,056	1,747	1,747
Use of reserve to support Medium Term Financial Strategy	-644	-644	-309	0	0
Planned use of reserve					
balance c/f	942	2,056	1,747	1,747	1,747

Victoria Square Reserve

balance b/f	535	459	1,609	2,699	3,799
Contribution to reserve 1% arrangement fee from 1 January 2017	940	1,250	1,190	1,100	
#WeAreWoking		-100	-100		
balance c/f	1475	1,609	2,699	3,799	3,799

RESERVES FORECAST
2017/18 - 2020/21

APPENDIX 2C

	AT 31 MARCH				
	2017	2018	2019	2020	2021
	£'000	£'000	£'000	£'000	£'000
REVENUE RESERVES					
Investment Strategy Reserve	4,983	4,274	3,571	2,789	2,716
Housing Investment Programme Reserve	9,400	8,876	7,724	7,775	7,362
Medium Term Financial Strategy Reserve	2,700	2,056	1,747	1,747	1,747
IT Reserve	-	-	-	-	-
Provision for Flexibility Reserve	98	98	98	98	98
Leased Car Relief Vehicle Reserve	9	9	9	9	9
Freda Ebel Bequest	13	13	13	13	13
Community Fund	224	224	224	224	224
Insurance Fund	521	477	477	477	477
Parking Reserve	148	148	148	148	148
Environmental (CO2) Reserve	35	35	35	35	35
Wolsey Place Reserve	6,325	5,402	4,564	3,824	3,056
New Homes Bonus Reserve	1,352	670	31	-	-
Group Company Reserve	750	750	750	750	750
Woking Palace Reserve	25	25	25	25	25
Equipment Reserve	280	330	360	390	416
Peer grant Reserve	38	38	38	38	38
Business Rates Equalisation Reserve	2,199	1,349	1,349	1,349	1,349
Local Council Tax Support Scheme Hardship Fund	48	48	48	48	48
Westfield Common Reserve	35	35	35	35	35
PFI Reserve	2,753	2,753	2,753	2,753	2,753
Town Centre Management Agreement Reserve	338	280	222	164	106
Victoria Square Reserve	459	1,609	2,699	3,799	3,799
	32,733	29,499	26,920	26,490	25,204
CAPITAL RESERVES					
Usable Capital Receipts	5,258	5,849	4,671	4,806	5,528
Set Aside Capital Receipts	43,108	44,500	46,028	47,649	49,370
Major Repairs Reserve	645	563	278	18	222
Development Contribution Reserve	7,176	0	0	0	0
Community Assets Fund	0	0	0	0	0
	56,187	50,912	50,977	52,473	55,120
WORKING BALANCES					
GF Working Balance	1,000	1,000	1,000	1,000	1,000
HRA Working Balance	502	502	502	502	502
	1,502	1,502	1,502	1,502	1,502
TOTAL RESERVES	90,422	81,913	79,399	80,465	81,826

PRUDENTIAL INDICATORS FOR 2017/18 TO 2020/21

1 Capital Expenditure

	Estimates			
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Non - Housing Revenue Account	170,572	71,825	49,656	90,751
Housing Revenue Account	5,871	6,589	5,171	5,171
Total	176,443	78,414	54,827	95,922

2 Ratio of Financing Costs to Net Revenue Stream

	2017/18	2018/19	2019/20	2020/21
Non - Housing Revenue Account	63.15%	90.10%	93.84%	98.68%
Housing Revenue Account	44.44%	46.38%	47.16%	47.51%

3 Incremental Impact of Capital Investment Proposals on Band D Council tax

2017/18	2018/19	2019/20	2020/21
£ p	£ p	£ p	£ p
£25.15 (11.3%)	£22.72 (10.0%)	£7.82 (3.4%)	£4.70 (2.0%)

4 Incremental Impact of Capital Investment Proposals on Average Weekly Housing Rents

2017/18	2018/19	2019/20	2020/21
£ p	£ p	£ p	£ p
£4.53 (4.4%)	£6.62 (6.4%)	£7.64 (7.5%)	£0.00 (0.0%)

5 Capital Financing Requirement

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Non - Housing Revenue Account	385,505	440,134	462,030	537,260
Housing Revenue Account	120,477	117,646	122,760	122,760
Total excluding group company & external loans	505,982	557,780	584,790	660,020
Group company & external loans	369,250	576,186	794,769	856,332
Total including group company & external loans	875,232	1,133,966	1,379,559	1,516,352

TREASURY MANAGEMENT INDICATORS

6 Treasury Management Strategy

The Council has adopted the CIPFA Code of Practice for Treasury Management

7 Authorised Limit for External Debt

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Non - Housing Revenue Account	1,068,246	1,315,295	1,393,862	1,425,790
Housing Revenue Account	123,500	117,646	122,760	122,760
Total	1,191,746	1,432,941	1,516,622	1,548,550

8 Operational Boundary for External Debt

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Non - Housing Revenue Account	1,058,246	1,305,295	1,383,862	1,415,790
Housing Revenue Account	123,500	117,646	122,760	122,760
Total	1,181,746	1,422,941	1,506,622	1,538,550

9 Housing Revenue Account Limit on Indebtedness

£124,261,000

10 Upper Limit on Fixed Interest Rate Exposures (of net outstanding principal sums)

2017/18	2018/19	2019/20	2020/21
%	%	%	%
100	100	100	100

11 Upper Limit on Variable Interest Rate Exposures (of net outstanding principal sums)

2017/18	2018/19	2019/20	2020/21
%	%	%	%
70	70	70	70

12 Upper and Lower Limits for the Maturity Structure of Fixed Rate Borrowings for the forthcoming year

	Upper Limit %	Lower Limit %
under 12 months	100	0
12 months and within 24 months	100	0
24 months and within 5 years	100	0
5 years and within 10 years	100	0
10 years and above	100	0

13 Upper Limit for the Maturing of Investments for Periods longer than 364 days

£3,000,000

14 Gross Borrowing to Capital Financing Requirement

At 31st March	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Gross Borrowing	799,230	1,086,596	1,359,896	1,523,410
Capital Financing Requirement *	874,745	1,133,480	1,379,073	1,515,865
Under/(over) borrowing	75,515	46,884	19,177	-7,545

* The Capital Financing Requirement shown in this line includes borrowing undertaken for group company activities in order to provide a meaningful comparison with the level of external borrowing.