

Long Term (10-year) Financial Strategy 2022/23 to 2031/32

General Fund Revenue

1. To prepare the budget and direct resources to meet council priorities as set out in the Corporate Plan, and to only consider bids for investment in services or capital projects that contribute to achieving the Council's strategic priorities set out in the corporate plan.
2. To ensure the sustainability of the council and maintain its tax base the Council will seek to raise council tax at the maximum level achievable without incurring a referendum
3. The detailed budget will be prepared with an allowance for a pay award, but with no allowance for general inflation unless there is a contractual agreement. Each year, members will determine a guideline increase for fees and charges.
4. To produce an outline budget for a rolling 4 year medium term plan period and a 10-year high level strategic forecast.
5. Recognising that there will always be a need to achieve savings as part of the budget process to undertake a continuous review of:
 - (a) Discretionary services and benchmark council expenditure against our peer council's to identify appropriate areas for savings
 - (b) Review of fees and charges and options for income generation
 - (c) Review of the capital programme to align the programme to the corporate plan
 - (d) Review of operational assets to in line with the asset management framework to ensure all assets provide value for money in delivery of council services
 - (e) Explore opportunities for collaboration and sharing of services with neighbouring councils (most notably Waverley BC)
6. Supplementary estimates will only be approved in exceptional circumstances; we will firstly seek to identify savings as a means of meeting additional costs or bids for additional expenditure and then look to utilise virements if we cannot find savings.
7. To transfer the majority of any underspend achieved at the end of each financial year to a combination of the invest to save earmarked reserve, the budget pressures earmarked reserve and capital schemes reserves to offset future service growth pressures and pump prime transformation and regeneration projects.
8. To undertake a financial risk analysis of the budget and ensure that appropriate earmarked reserves are maintained to cover identified risks.
9. Subject to the financial risk assessment, to maintain a minimum general fund working balance at £3.75 million.
10. All items of expenditure, even if funded by a grant from a third party must have an approved capital or revenue budget. Where a specific grant is received, the expenditure must be approved; any under spending is returned to the general reserve and not left as a contingency in the service budget.
11. Any under spending on grants will be treated as an under spend and not carried forward for spending in the following year unless the grant has a specific condition attached to it. To transfer the majority of any underspend achieved at the end of each financial year to a combination of the invest to save earmarked reserve, the budget pressures earmarked reserve and capital schemes reserves to offset future service growth pressures and pump prime transformation and regeneration projects.
12. To spend the New Homes Bonus grant on match funding strategic investment in regeneration and infrastructure projects as set out in the Council's Corporate Plan.

Long Term (10-year) Financial Strategy 2022/23 to 2031/32

13. To utilise the Council's invest to save earmarked reserve to pump prime any investment required under the Council's transformation programme to achieve savings. The Council will also investigate the flexible use of capital receipts should the resources available in the invest to save reserve be insufficient to pump prime investment.
14. To use the Business Rates equalisation earmarked reserves to mitigate the volatility of the business rates retention system on the Council's general fund budget and to match fund strategic investment in regeneration and infrastructure projects as set out in the Council's corporate plan.
15. To commit to joint or match funding infrastructure, regeneration and housing development projects with partners such as EM3 Local Enterprise Partnership, Surrey County Council, National Rail and Highways England where those projects contribute to the achievement of the Council's strategic priorities as set out in the Corporate Plan.
16. To ensure the affordability of the capital programme by ensuring that the revenue implications of borrowing for essential and non-income generating development schemes can be managed within the additional income from a rise in Council tax each year.

Capital

17. The Council will prepare a combined capital and investment strategy to bring together its financial and non-financial investments and align them to the Council's strategic objectives as set out in the Council's corporate plan. The capital and investment strategy will set out a vision which includes the impact of some of our long term strategic projects.
18. Alongside the Capital and Investment Strategy, a single capital programme will be prepared each year over a 5 year rolling period as part of the detailed budget process, so that the impact of capital investment decisions will be considered as part of the revenue budget process and medium to long term financial plan.
19. The five year capital programme will include both approved and provisional schemes so that we can clearly see the impact of our future capital requirements on the revenue budget. It will also distinguish between essential schemes to maintain service delivery and infrastructure improvements and investment schemes in service development, economic development, and regeneration.
20. We will review each year how the capital programme is to be financed in relation to capital receipts, revenue or earmarked reserves.
21. The council will consider whether it is appropriate to borrow to fund large capital schemes: in doing so it will consider the impact on the budget and the cost of early repayment in line with point 15.
22. In planning our capital expenditure we will only take account of future capital receipts where there is a reasonable degree of certainty about their receipt.
23. In line with point 4(d) the Council will conduct a rolling review of its assets under its Asset Management Framework and identify and dispose of operational assets that may be surplus to requirements to raise capital receipts for re-investment in essential capital schemes to maintain service delivery or to flexibly finance corporate and service transformation costs in line with the flexible use of capital receipts policy.
24. The Council will review the performance of its investment property assets in line with its Asset Management Framework and seek to identify any under-performing assets for improvement or disposal. Capital receipts achieved on disposal of investment property

Long Term (10-year) Financial Strategy 2022/23 to 2031/32

assets will be recycled to finance replacement investment property assets or the Council's capital investment programme.

25. The Council will consider the option of discounting general fund land disposals to facilitate marginally viable regeneration projects as part of the business case for individual projects.

Housing

26. The Council will utilise its housing reserves to fund new build affordable housing schemes and regeneration projects that include an element of affordable housing.
27. The Council will consider the option of discounting Housing land disposals to facilitate marginally viable regeneration projects as part of the business case for individual projects.
28. The Council will consider providing capital grant funding to appropriate affordable housing schemes.
29. The council will seek to retain capital receipts generated under Right to Buy and to use those receipts in line with its Use of Right to Buy receipts policy