

<p style="text-align: center;"><b>KEY COMPONENTS OF THE MEDIUM TERM FINANCIAL STRATEGY 2016-2020</b></p>
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<p>The Council's Medium Term Financial Strategy sets out the approach that the Council has agreed to manage its finances.</p>
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<p style="text-align: center;"><b>COUNCIL TAX</b></p>
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| <ul style="list-style-type: none"><li>• Ensure that Council Tax stays below the average of the Surrey Districts</li></ul> |
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<p style="text-align: center;"><b>BUDGET POSITION AND REVENUE RESERVE</b></p>
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| <ul style="list-style-type: none"><li>• Produce a balanced revenue budget each year</li></ul>  |
| <ul style="list-style-type: none"><li>• Maintain a minimum working balance of £2.5 million at 31 March 2020</li></ul>                                      |
| <ul style="list-style-type: none"><li>• Maintain a prudent level of strategic reserves and a minimum of £1 million in Corporate Projects Reserve</li></ul> |
| <ul style="list-style-type: none"><li>• Utilise reserves pro-actively to manage major risks to the Council's finances</li></ul>                            |

<p style="text-align: center;"><b>INCOME</b></p>
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| <ul style="list-style-type: none"><li>• Increase income from fees and charges by 6% in 2016/17 and 3% per annum thereafter</li></ul> |
| <ul style="list-style-type: none"><li>• Maintain charging policies for each service</li></ul>  |
| <ul style="list-style-type: none"><li>• Manage risks to central government funding and business rate retention</li></ul>             |
| <ul style="list-style-type: none"><li>• Maintain high collection rates for council tax and business rates</li></ul>                  |
| <ul style="list-style-type: none"><li>• Make prudent investment of reserves and cash balances</li></ul>                              |
| <ul style="list-style-type: none"><li>• Generate increased income from the external use of Council assets</li></ul>                  |
| <ul style="list-style-type: none"><li>• Optimise the use of Council assets, realise capital receipts from sale of surplus</li></ul>  |
| <ul style="list-style-type: none"><li>• Identify new opportunities for generating income</li></ul>                                   |

<p style="text-align: center;"><b>INVESTMENT IN SERVICES</b></p>
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| <ul style="list-style-type: none"><li>• Use Annual Service Targets to allocate resources to deliver the Council's Priorities</li></ul>   |
| <ul style="list-style-type: none"><li>• Prioritise capital investment to ensure retained property is fit for purpose</li></ul>   |
| <ul style="list-style-type: none"><li>• Maximise the use of external funding opportunities to deliver improvements to the community infrastructure, including affordable housing</li></ul> |
| <ul style="list-style-type: none"><li>• Deliver the three year capital programme of £2.5 million</li></ul>   |
| <ul style="list-style-type: none"><li>• Maintain a minimum uncommitted level of capital reserves of £1 million at 31 March 2020</li></ul>  |

<p style="text-align: center;"><b>EFFICIENCY</b></p>
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| <ul style="list-style-type: none"><li>• Review services to ensure they continue to provide value for money</li></ul>                                    |
| <ul style="list-style-type: none"><li>• Achieve a reduction in operating costs through smarter working</li></ul>  |
| <ul style="list-style-type: none"><li>• Reduce the subsidy of Council occupied properties</li></ul>   |
| <ul style="list-style-type: none"><li>• Increase the efficiency and resilience of the organisation through investment in staff and technology</li></ul> |
| <ul style="list-style-type: none"><li>• Deliver savings to improve the forecast budget position by £3.3 million by 2019/20.</li></ul>                   |