

SIGNED OFF BY	Chief Finance Officer
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TO	Council
DATE	Tuesday 20 February 2024
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance & Governance

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	ALL

SUBJECT:	BUDGET 2024/25 and CAPITAL PROGRAMME 2024/25 to 2028/29
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RECOMMENDATIONS:

That Executive recommend to Council:

- (i) The latest Medium-Term Financial Plan forecast at Annex 1;**
- (ii) An increase in Reigate & Banstead’s Band D Council Tax of £7.47 (2.99%) and a final taxbase of 64,252.30 Band D equivalents;**
- (iii) A Revenue budget requirement of £23.167 million for 2024/25, as set out in this report and at Annex 1, which reflects:**
 - a) Service budget growth proposals totalling £1.112 million, savings of (£1.754) million, including fees and charges income of (£0.540) million, plus forecast issues, risks and opportunities totalling £0.304 million;**
 - b) Central Revenue Budget net savings and growth proposals totalling (£0.431) million and £1.750 million growth for the 2024/25 pay award plus forecast issues and risks totalling £0.694 million;**
- (iv) The forecast for Revenue Reserves (Annex 3) and the recommended use of £0.998 million from Reserves in 2024/25 comprising:**
 - a) £0.304 million from the IT Strategy Reserve to fund implementation of the approved IT Strategy (as detailed in the Services budget); and**
 - b) Up to £0.694 million from the Government Funding Risks Reserve, where necessary, to fund the forecast reduction in housing benefit subsidy (as detailed in the Central budget);**
- (v) A Capital Programme of £53.680 million for 2024/25 to 2028/29 as set out in this report, including net Capital Programme Growth Proposals of £6.919**

million (net after allowing for a reduction of (£0.796) for capital programme re-profiling);

- (vi) That the following changes to the Local Council Tax Support Scheme be approved and adopted from 2024/25:
- a) Removal of the maximum award of 90% Council Tax liability for 1,800 households and increasing the award up to 100%;
 - b) Removal of the minimum requirement for a household to qualify for £5 per week before support is provided;
 - c) Expansion of support awards to cover full Council Tax liability for residents in Bands F to H;
- (vii) That the following changes Council Tax premiums on empty properties be approved and adopted from 2024/25:
- a) Removal of the empty homes discount of 28-days where a property becomes empty and unfurnished;
 - b) For empty and furnished second homes – charge 200% council tax after the first 12 months; and
 - c) For long-term empty properties – commence charging the 100% premium after 12 months.
- (viii) Continued funding support for Banstead Commons Conservators for a further three years (2024/25 to 2026/27);
- (ix) Agreement of a new 10 year Section 136 funding agreement with Horley Town Council;
- (x) The Chief Finance Officer's report on the robustness of the Budget estimates and adequacy of Reserves
- (xi) That transfers to the following reserves are made following receipt of additional revenue budget funding of £0.209 million following confirmation of the Final Local Government Settlement:
- a) £0.104 million to a new Reserve, the Community Partnerships Reserve; and
 - b) £0.105 million to the Environmental Sustainability Reserve.

REASONS FOR RECOMMENDATIONS:

On 1 February 2024 Executive approved recommendations (i) to (x) for presentation to this this meeting of Council.

Subsequent to the 1 February Executive meeting, a small number of changes and budget and precept movements have been necessary.

For completeness an annotated copy of the 1 February report to Executive is attached at Annex 1 with the revised text and tables as a consequence of these changes highlighted in yellow.

In summary the key changes are:

- The Final Local Government Settlement was received on Monday 5 February 2024.

This provided an additional 1% to the Minimum Funding Guarantee Grant of £0.207 million together with a small increase of £0.002 million for the Services Grant.

This additional funding totalling £0.209 million is identified and explained in Annex 1 at paragraphs 7,11,28 and 48. Revised figures are also reported in Tables 1 and 6.

- As the 2024/25 was already balanced when presented to Executive on 1 February 2024, it is recommended that the additional £0.209 million of revenue funding is transferred to Reserves, specifically £0.105 million to the Environmental Sustainability Reserve and £0.104 million to a new Reserve, the Community Partnerships Reserve to support partnership based activities and community wellbeing.

The additional reserve transfers are set out at Annex 1 in paragraphs 12,28,48 and 106, The updated figures are also reported in Tables 1 and 6.

- As a result of these additional transfers to Reserves of £0.209 million, the forecast balance on earmarked Revenue Reserves has increased to £27.122 million and total Reserves to £30.622 million.

The revised Reserves forecast is detailed in Annex 1 at paragraph 99 and at Table 12.

- Surrey County Council (SCC) approved its Budget and Council Tax precept on 6 February 2024. This confirmed a final increase of 4.99% compared to the 3.99% that was anticipated in the Budget report to Executive on 1 February. This change increases SCC's precept demand on this Council to £112.994 million.

The revised forecast is detailed in paragraph 61 and in Tables 8.1.and 8.2 at Annex 1.

- A number of additional minor drafting amendments have been updated in the final report and are highlighted in Annex 1.
- Recommendation (xi) above has therefore been added in order to seek authorisation for these final budget changes.

EXECUTIVE SUMMARY:

This report provides a summary of the final budget recommendations for consideration by Council members at this meeting.

It includes a supporting explanation of the changes that have been necessary since the budget was approved by Executive on 1 February 2024.

Recommendations (i) to (xi) are subject to approval by the Council.