

# Addendum

## Executive

Dear Councillor,

**Executive - Thursday, 13 July 2023, 7.30 pm**

I enclose, for consideration at the meeting of the Executive to be held on Thursday, 13 July 2023 at 7.30 pm, the following reports which were unavailable when the agenda was published.

**Mari Roberts-Wood**  
Managing Director

**4. Reigate & Banstead 2025 Annual Report 2022/23(Pages 3 - 4)**

The Executive Member for Corporate Policy and Resources.

**5. Medium Term Financial Plan 2024/25 to 2028/29(Pages 5 - 6)**

The Executive Member for Finance, Governance and Organisation and Deputy Leader.

**6. Capital Investment Strategy(Pages 7 - 8)**

The Executive Member for Finance, Governance and Organisation and Deputy Leader.

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## **Minute from Overview & Scrutiny Meeting on 6 July 2023**

### **Reigate & Banstead 2025 Annual Report 2022/23**

Councillor James King, the Executive Member for Corporate Policy & Resources introduced the Reigate & Banstead 2025 Annual Report 2022/23.

This report is the annual report on the Council's progress in delivering the Corporate Plan. It also includes an update on delivery of the Council's equality objectives. Both reports cover the year from April 2022 to March 2023.

Information is provided on the work undertaken by services across the Council and how it has contributed to delivery of the Corporate Plan priorities across the three corporate themes of People, Place and Organisation. This includes the delivery of new affordable homes and a range of support for vulnerable residents, including those facing cost of living issues; ongoing place delivery projects to deliver improvements in Redhill, Horley and Merstham; benefits secured via the Community Infrastructure Levy and continuing provision of very high quality neighbourhood services; positive outcomes from the first year of the Financial Sustainability Programme and progress in securing more income from fees and charges and the Council's commercial lettings.

The report also sets out some of the challenges faced over the past year; these have included the impact of the rising cost of living on residents and therefore Council services, and a continuing need to do more with less, given the financial challenges facing the local government sector.

Updates are also included on the commitments set out in the Corporate Plan; these principles apply right across all the work that the Council carries out.

A range of contextual indicators are reported, which provide some background about the environment in which the Council operates and the situation within the borough.

Annex 2 reports on the Council's Equality Objectives; information is provided about the work that has been undertaken in 2022/23 to progress each of the objectives, ranging from the use of data through to supporting good community relations and making sure that the Council is a fair employer. The report also includes a look at how the Council will continue to progress towards these objectives in the future.

The Council's current Equality Objectives cover the period 2020 to 2024; the report recommends that the objectives be continued for one additional year so that they and the Corporate Plan can be reviewed on the same timing. This will allow future work on both to be fully aligned and coordinated.

The Executive Member for Corporate Policy and Resources invited any comments or questions from O&S members.

The following clarifications were provided:

#### Objectives – People - Housing

It was confirmed that residents in the Council's new affordable homes at Wheatley Court would be eligible to buy under the Right to Buy Scheme.

# Agenda Item 4

## Residents' Survey

There was some discussion over the potential to carry out a borough wide residents' survey. It was confirmed that while a borough wide residents' survey had not been carried out, specific surveys had been undertaken and a range of data collated by the Data Insight Team was in use. There was a wealth of potentially new and different ways to collect information from residents. Officers assured Members that communication with residents took several forms, not just digital methods, to ensure inclusivity.

It was also confirmed that as part of the new Corporate Plan, which would commence in April 2025, KPIs and their success measures would be reviewed. Members of Overview & Scrutiny Committee felt that a borough wide residents' survey would be beneficial.

## Objectives – People – Leisure and Wellbeing

It was confirmed that the Council knows that leisure services meet residents' needs through data collected from customers of the leisure centres and the Harlequin Theatre. It was confirmed that the Council held monthly meetings with GLL, the leisure centre provider.

It was confirmed that although the initial funding for the community development work in Preston had ceased, alternative funding had been secured. Funding for the East Surrey Youth Hub had also come to end, but this had continued to be funded by the Council during the year. Projects were underway with health colleagues to provide further youth services. All-Member briefings would take place over the coming months on health, community partnerships, Raven Housing, and housing, homelessness, and refugee schemes.

## Objectives – Place

Members commented that it would be good to monitor the vacancy rates in town centres and actions taken to combat the vacancies. It was confirmed that information would be provided by the Economic Prosperity Team after the meeting.

## General Comments

Members commented that it would be good to add a section at the end of the Corporate Plan Annual Report outlining challenges and possible objectives for the future, similar to that in the Equalities Objectives Progress Report. It was noted that the future plans to deliver the Corporate Plan objectives are presented across a range of different reports that the Committee receives.

Members suggested that the report might also consider the contextual indicators, reviewing their implications in regard to the objectives of the Corporate Plan.

## Equalities Objectives Progress Report

Members suggested that the Council could consider autism, dementia, and income inequality as areas of equality/inequality to investigate further.

**RESOLVED** that Overview and Scrutiny Committee:

- i. Noted the Reigate & Banstead 2025 Annual Report for 2022/23 and made observations for consideration by the Executive.
- ii. Noted the Equality Objectives Progress Report for 2022/23 and made observations for consideration by the Executive.

## Minute from Overview & Scrutiny Meeting on 6 July 2023

### Medium Term Financial Plan 2024/25 to 2028/29

Councillor James King, Executive Member for Corporate Policy and Resources, introduced the Medium Term Financial Plan 2024/25 to 2028/29 on behalf of Councillor Victor Lewanski, Executive Member for Finance, Governance & Organisation.

This latest Medium Term Financial Plan confirms that local government continues to face a challenging financial situation with continued uncertainty about the local government funding regime.

The one resource that the Council has available is time - if it is used productively. Once again, an early start has been made with the budget preparations for next year and work has continued on the Financial Sustainability Programme to deliver cost reduction and income generation initiatives over coming years.

The MTFP report sets out a detailed initial assessment of the key information that will be used for budget setting in 2024/25 onwards.

It includes a five year forecast for the budget gap that the Council will face, if action is not taken to reduce costs or increase income.

Work is now underway with officers to develop the detailed budget proposals for consideration by Executive in November and review by the O&S Scrutiny Panel.

An all-Member briefing has been arranged for 27 July to help explain the basis for the MTFP assumptions and forecasts. The Executive Member encouraged all Members to attend.

The Executive Member for Corporate Policy and Resources invited Members of Overview & Scrutiny Committee to provide feedback on the Medium Term Financial Plan and the options for addressing the forecast revenue budget challenges in 2024/25 onwards. The comments will be taken into account as work with officers continues on the budget proposals.

An advance question on this item had been submitted prior to the meeting. The advance question and its response can be viewed here:

[Document Advance Questions and Answers OS 6 July 2023 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The following clarifications were provided:

#### Service running costs

The Council's net budget had increased considerably in the last eight years due to several factors including an increase in staff headcount, pay cost inflation, breadth of services offered, increased responsibilities placed on local government, decreases in funding from Central Government, general expansion of Council service activity and the associated costs.

Members requested a summary of these changes to aid understanding of increased costs to be included in the Budget Scrutiny Panel papers.

# Agenda Item 5

It was confirmed that Management Team awaydays and Executive awaydays were all held in the Town Hall and were an important forum for detailed budget planning and discussion of options.

## Financial Sustainability Programme

It was confirmed that details of the 2023/24 budget savings arising from the Financial Sustainability Programme were included in the February 2023 budget report to Council.

## Fees and Charges

A more transparent policy was now in place for setting fees and charges as part of the budget decision making process and was open to debate and decision by Members. It was confirmed that increases in the fees and charges for 2024/25 had not yet been included in the MTFP forecast.

It was also confirmed that general inflation is not included in the forecast. If services identified a particular budget under pressure, for example an increase in a contract price, a request for budget growth could be submitted.

## Risks and vulnerability

Recruitment and retention was a risk that was being addressed through succession planning, developing staff and identifying opportunities to share resources with other authorities.

There were two main areas of vulnerability to Government funding cuts: deletion of specific grants that help fund service delivery and a potential reduction in the proportion of business rates that the Council retains when planned funding reforms are introduced. Officers were constantly exploring opportunities for grants and funding. It was confirmed that the level of reserves did not affect the authority's ability to apply for grants.

The Chair asked that future updates include financial values for the ranges of possible impacts for the identified risks set out in section 15 of the MTFP.

**RESOLVED** that Overview and Scrutiny Committee:

Noted the report and made comments for consideration by the Executive.

## Minute from Overview & Scrutiny Meeting on 6 July 2023

### Capital Investment Strategy

The Executive Member for Corporate Policy and Resources introduced the Capital Investment Strategy, on behalf of Councillor Victor Lewanski, Executive Member for Finance, Governance & Organisation.

This report presents the latest version of the Council's Capital Investment Strategy which demonstrates how the Council plans to ensure that capital spending decisions take account of the authority's stewardship, value for money, prudence, sustainability, and affordability responsibilities.

This is particularly important in the current financial climate, especially in light of those authorities that are now finding themselves in financial difficulties due in part to not having sufficient control over their capital spending and borrowing commitments.

The report also includes information about the significant Council-owned assets, how they are used and how they are performing. Also, information about planned capital assets investments and how they are being funded.

These activities are supported by the work of the Partner, Shareholder and Trustee Sub-Committee and officer boards.

The next step will be to continue the work that is now in progress to confirm future capital investment plans as part of the service & financial planning process.

The Executive Member for Corporate Policy and Resources invited any comments or questions from O&S members.

The following clarifications were provided:

#### Capital Assets

Members requested information on the net yield from the assets listed in table 3 of the report, together with the portfolio total gross and net yield. In addition, a reconciliation of the assets listed in tables 1 and 3. An explanation was also sought for why table 2 included entries for both the Tadworth Centre and the Banstead Sports Centre. These would be provided in a written answer following the meeting.

It was confirmed that the assets listed had been classified under the CIPFA Code of Practice for preparing the statement of accounts. A written response would be provided to explain the basis for the classifications.

#### Assets under Construction

It was confirmed that £73.614 million of assets under construction predominantly related to the Marketfield Way development.

#### Significant Assets

It was confirmed that some of the community assets had a low book value because they could not be sold, developed, or disposed of, but that they did still have "community value".

# Agenda Item 6

## Property Assets

Members commented on the significant drop in the valuation of Beech House compared to its purchase price, noting that the Capital Programme included a significant capital spend. It was confirmed that officers were preparing options for the future use of Beech House and a report would be presented to Partner, Shareholder, and Trustee Executive Sub-Committee when the recommended plans were confirmed. Also, that the £3 million allocation in the Capital Programme estimate was based on the estimated cost of a previous scheme for a former tenant that was not progressed, and a more modest project was being considered.

## Asset Performance and Condition

It was confirmed that the approved Capital Programme does not currently include significant investment in electric vehicles. Options were currently being considered and a business case was expected to be brought to Executive later this year.

Members commented that although there were currently no capital allocations for investment in electric vehicles or for refurbishing buildings to improve energy efficiency in the Capital Programme, yet the intention to invest was stated in the Environmental Sustainability Strategy.

## Strategic Direction

It was confirmed that the Treasury Management report presented to Overview & Scrutiny Committee in June 2023 set out the detail of current forecasts for borrowing requirement and assumption of costs. The Council did not currently have any loans and if the need to borrow arose, advice would be taken from the Council's treasury management advisers to obtain the best rates.

## Investments for Service Purposes

It was explained that the Pension Fund deficit, valued at £1.89 million, resulted from the regular revaluation of this authority's share of the Surrey Pension Fund and related to historic contribution shortfalls. Overall, the Pension Fund remains solvent, as it is a "funded scheme", and that action is being taken to ensure that current and future contributions are sufficient to make good the deficit by the time that scheme members retired. The Council works closely with the Pension Fund to ensure that liabilities are under control and its operations are subject to regular actuarial reviews and audits.

**RESOLVED** that Overview and Scrutiny Committee:

Noted the report and made comments for consideration by Executive.