

Addendum

Council

Dear Councillor,

Council - Tuesday, 20 February 2024, 7.30 pm

I enclose, for consideration at the meeting of the Council to be held on Tuesday, 20 February 2024 at 7.30 pm, the following reports which were unavailable when the agenda was published.

Mari Roberts-Wood
Managing Director

6a. Budget & Capital Programme 2024/25 (Pages 3 - 12)
Related Committee agenda, reports and minutes are available [here](#).

(iii) Notice of Amendment: Budget & Capital Programme 2024/25

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Meeting of Council, 20 February 2024

Agenda item 6a, Notice of Amendment (Council Procedure Rule 2.13.4) - Revenue Budget 2024/25 and Capital Programme 2024/25 to 2028/29

Councillor Paul Chandler will propose and Councillor Jonathan Essex will second.

Amendments to the Recommendations (Minute Ref. 6a.(iii)) on the Revenue Budget 2024/25 and Capital Programme 2024/25 to 2028/29 (Item 6a (i) on the agenda) as set out below:

Amendment Narrative / Explanation

This budget amendment covers the following areas of action:

- *Deliver Environmental Sustainability Strategy*
- *Complete Recycling Roll-out*
- *Deliver Affordable Housing, including making use of Empty Properties*

These are set out in more detail below.

Revenue Budget Proposals

1. Deliver Environmental Sustainability Strategy.

Proposed Budget Amendment:

Increase headcount to include an additional post within the sustainability team to help speed up planning and delivery of new and planned projects:

- *Climate Change Project Officer (+1FTE)*

Establish a new revenue budget for buying in external advice and support, for example from Surrey County Council.

Budget = 1 additional FTE = £58k plus a £50k supplies & services budget

To be funded initially from the Environmental Sustainability revenue reserve (projected value of £146k on 5 April 2024) in 2024/25 and, then funded on a permanent basis, having proven the benefits, through revenue budget growth in 2025/26 onwards. This will include further investment-grade retrofit study (as required) to extend plan to energy efficiency improvements of all council owned buildings.

Rationale

This would enable increased capacity to deliver on the commitments set out in the Environmental Sustainability Strategy, and better enable Reigate and Banstead Borough Council to play its full part in delivering the Surrey Climate Change Strategy commitments in Reigate and Banstead, including to:

- *Complete plan to fully retrofit the council's operational building assets as soon as possible, with implementation from Q2 of 2024/25 and 50% completed by*

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end of 2025/2026. Work with SCC Greener Futures Team to procure investment-grade feasibility studies to establish a new programme of (largely self-financing) capital investment to deliver this.

- Deliver mandate that all vehicle purchases from now to be EV so virtually all converted to EV (or equivalent) by 2030. Liaise with green fleet procurement specialist at Surrey County Council to make it happen. Re-profile of capital investment plan and make available additional funding where needed to accelerate vehicle purchases across council areas accordingly. This may however include delay of purchase of some vehicles (e.g. twin-bodied refuse collection vehicles) until alternatives are available.*
- Invest-to-save to extend EV charging infrastructure at council car parks for public charging and capital investment to install EV charging on other sites to support the conversion of council vehicles to electric. Set out plan for where council-owned vehicles can be charged, where possible using own renewable energy generation, and publish plan for extending off-street fast EV charging across all council car parks.*

2. Complete Recycling Roll-out in advance of implementation of the Government's Waste & Recycling Strategy

Proposed Budget Amendment

An additional Recycling Officer post from start of new financial year to expedite collaborative approach in planning and delivery of the recycling roll-out for full recycling services to the remaining 5,500 remaining properties without the full recycling service with landowners, including social housing providers. This will include extending food waste and mixed recycling collection to all households and also support the provision of recycling services to both large and small commercial premises.

Budget = 1 additional FTE of £45k fixed-term contract role (£90k for 2 years to complete roll-out), with potential for longer-term position to engage in behaviour change to reduce contamination rates in communal properties.

Supported by capital programme cost of new food waste, mixed-waste recycling bins and additional vehicle capacity where not subsidised by government grants.

Rationale

Recycling roll-out was started over 10 years ago. The new government Resources and Waste strategy requires the council to complete this roll-out by 31 March 2026 for households. Landlords, including social housing providers, need to be supported in securing planning permission (and in some cases land) to enable them to provide sufficient bin storage and to engage their residents. The government Resources and Waste Strategy has also mandated that larger businesses (10+ employees) will be required to have food waste collected by 31 March 2025, with smaller businesses participating by 31 March 2027. There may also be requirements for Schedule 2 entities like schools, churches and charities that require liaison or support.

Supporting Notes

Return on investment. *The rollout of food waste to flats will not increase income as a flat fee is received from Surrey County Council but this rollout is anticipated to*

increase dry mixed recycling by up an estimated 250-425 tonnes/annum. Increased food will earn the council income directly whilst increasing dry mixed recycling results in credits from Surrey County Council at £37/tonne. This reflects the significant reduction in disposal costs for this residual waste (estimated value based on £110+/tonne disposal cost. Overall, with additional service costs this is not expected to have a significant impact on the revenue budget. Starting the employment of the additional officer would have no overall cost impact (as this is therefore largely self-funded) but increase potential to complete roll out in time.

In addition, ongoing engagement with communal properties could have the potential to reduce the current 6% contamination rate for recycling in the borough. Therefore, it is considered that this role could be part-funded by increased recycling revenue in the short-term and be sustained in over a longer period.

Capital cost and engagement with landlords. *There has been past engagement with the landlords of the remaining 5,500 properties so are aware of the current physical constraints. Of these, approximately 60% of these properties have social landlords and approximately 40% of the properties have private landlords. In some cases properties still have little or no recycling facilities provided. Most of the remaining sites are expected to need significant changes, such as an expanded bin store. This would benefit from support in agreeing proposals, including a single-point-of contact to facilitate progress through planning where required, which would avoid hundreds of similar planning applications progressing slowly.*

3. Deliver Affordable Housing, including making use of Empty Properties

Proposed Budget Amendment:

- 1. Establish Affordable Housing Delivery post within Property Management team.*
- 2. Establishment of a new Empty Properties Officer Role to deliver conversion of empty homes into housing for social rent.*

Budget = £116k (2 posts, each £58k) funded from the Housing Delivery Strategy Reserve and/or Homelessness Prevention Reserve.

Rationale 1. Affordable Housing Delivery Post

Revisit plans to bring forward delivery of genuinely affordable homes for social rent locally. This is in addition to the temporary and emergency accommodation that is being brought forward to meet increased homelessness need in the borough.

Strengthen collaboration with both Surrey County Council and social housing providers (notably Raven Housing Trust) to develop a plan to deliver affordable housing across Reigate and Banstead. Explore the potential to convert non-operational assets owned by the council in the Reigate and Banstead area to environmentally sustainable, social rented properties.

Develop and bring forward new strategic plans to develop publicly owned land in the borough, with social housing as key parts of these plans.

Rationale 2. Empty Properties Officer

This will enable the identification of empty properties and assist in realising opportunities to provide social housing in the private sector. There are key aspects

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of legal expertise that are required to make this happen. This would target new affordable homes above shops in town centres, local centres and other areas with a retail frontage; and through bringing empty homes back into use across the borough.

These two areas of work would be complementary and meet the Capital Programme commitment to deliver more affordable housing locally.

4. Capital Programme to deliver Corporate Plan

Full Council to receive a report to detail additional capital requirements to

- a) additional (largely self-financing) retrofit programme for council owned buildings;*
- b) support purchase of electric vehicles and creation of EV charging infrastructure;*
- c) complete recycling roll-out into capital programme; and*
- d) set out pipeline of future affordable home programme.*

5. Continue Welfare Support into next year

Establish a new Household Support Reserve fund of £500k to draw down in 2024/2025 in the case that government discontinue the Household Support Fund grant and in the meantime press for this to be continued by government into the next financial year.

This to be funded from the £209k extra one-off grant from Government announced on 5th February 2024, with the balance drawn from general reserves including a contribution from the current predicted revenue budget underspend from the 2023/2024 financial year.

Financial Implications

Confirmed by the Finance Team

The financial implications of the proposed amendments are summarised below.

1. Deliver Environmental Sustainability Strategy
 - 1.0 additional FTE
 - £58k annual revenue budget cost
 - £50k for increased supplies & services budget
 - Total £108k additional revenue budget requirement

 - Funded from the Environmental Sustainability Reserve in 2024/25 and to be included in Service & Financial planning growth proposals for 2025/26 onwards.
2. Complete Recycling Roll-out
 - 1.0 additional FTE
 - £45k annual revenue budget cost

- Funded from the Corporate Plan Delivery Fund (CPDF) Reserve in 2024/25 and to be included in proposals for implementation of the Government's Resources & Waste Strategy when confirmed.
3. Deliver Affordable Housing, including making use of Empty Properties
 - 2.0 additional FTE
 - £116k annual revenue budget cost

 - Funded from the Housing Delivery Strategy Reserve (£58k) and the Homelessness Prevention Reserve (£58k) in 2024/25 and to be included in Service & Financial planning growth proposals for 2025/26 onwards.
4. Capital Programme changes above would be subject to a future detailed and costed report to Council to quantify proposals and make new recommendations of capital schemes required and sources of capital financing for 2024/25 onwards.
5. Create a new Household Support Reserve of £500k.
 - By using £209k from the additional funding received in the Final Local Government Settlement;
 - With the balance funded from using £291k from the General Fund Balance (which may be partly or fully replenished at year-end from the potential revenue budget underspend for 2023/24 (to be confirmed through the budget outturn and year-end processes)).

Financial Implications Summary

Revenue Budget:

2024/25

- £0.269 million additional expenditure and increased call on earmarked Revenue Reserves; reducing the forecast balance on earmarked Reserves at 1 April 2024 to £26.644 million.

- The General Fund balance for 2024/25 will reduce from £3.500 million down to £3.209 million (after utilising £291k for proposal 5 above). This may be replenished if the revenue outturn for 2024/25 delivers an underspend at year end (to be confirmed through the budget outturn and year-end processes).

2025/26 onwards

- Ongoing revenue budget growth of up to £0.269 million to be taken into account in the next Medium Term Financial Plan update and Service & Financial Planning for 2025/26 onwards; to be funded from ongoing use of the Homelessness Prevention grant and equivalent budget savings and/or income generation as required across respective Council services.

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Revised Budget Recommendations as a consequence of the Amendment:			
Confirmed by the Finance Team			
Original Budget Recommendation		Revised Budget Recommendation	
		Finance to update figures when confirmed	
Ref		Ref	
	That Executive recommend to Council:		
(i)	The latest Medium-Term Financial Plan forecast at Annex 1		[No change]
(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;		[No change]
(iii)	A Revenue budget requirement of £23.167 million for 2024/25, as set out in this report and at Annex 1, which reflects:	(iii)	A Revenue budget requirement of £23.167 million for 2024/25, as set out in this report and at Annex 2, 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;		a) Service budget growth proposals totalling £1.381 million, savings of (£1.754) million; additional fees and charges income of (£0.540) million and 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;		[No change]
(iv)	The forecast for Revenue Reserves (Annex 3) and the recommended use of £0.998 million from Reserves in 2024/25 comprising:	(vi)	The forecast for Revenue Reserves (Annex 3) and the recommended use of £1.267 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		[No change]
	b) Up to £0.694 million from the Government Funding Risks Reserve, where necessary, to fund the forecast reduction in		[No change]

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	housing benefit subsidy (as detailed in the Central budget);		
			c) Up to £0.108 million from the Environment and Sustainability Reserve to fund an additional post within the sustainability team to help speed up delivery of planned projects and deliver the Surrey Climate Strategy.
			d) Up to £0.045 million from the Corporate Plan Delivery Fund (CPDF) Reserve to engage in behavioural change to reduce contamination rates in communal properties.
			e) Up to £0.116 million from the Housing Delivery Strategy Reserve (£0.058m) and the Homelessness Prevention Reserve (£0.058m) to deliver conversion of empty homes into housing for social rent and the identification of empty properties and assist in realising opportunities to provide social housing in the private sector.
(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);		[No change]
(vi)	That the following changes to the Local Council Tax Support Scheme be approved and adopted from 2024/25:		[No change]
	a) Removal of the maximum award of 90% Council Tax liability for 1,800 households and increasing the award to 100%;		[No change]
	b) Removal of the minimum requirement for a household to qualify for £5 per week before support is provided;		[No change]
	c) Expansion of support awards to cover full Council Tax liability for residents in Bands F to H;		[No change]

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(vii)	That the following changes Council Tax premiums on empty properties be approved and adopted from 2024/25:		[No change]
	a) Removal of the empty homes discount of 28-days where a property becomes empty and unfurnished;		[No change]
	b) For empty and furnished second homes – charge 200% council tax after the first 12 months; and		[No change]
	c) For long-term empty properties – commence charging the 100% premium after 12 months.		[No change]
(viii)	Continued funding support for Banstead Commons Conservators for a further three years (2024/25 to 2026/27);		[No change]
(ix)	Agreement of a new 10 year Section 136 funding agreement with Horley Town Council;		[No change]
(x)	The Chief Finance Officer’s report on the robustness of the Budget estimates and adequacy of Reserves		[No change]
(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.	(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 and an additional transfer of £0.291 million from the General Fund Balance: a) £0.209 million to a new Household Support Reserve; and b) £0.291 million to be transferred from the existing General Fund Balance to a new Household Support Reserve.

Consultation with Chief Finance Officer

The Council’s Chief Finance Officer has been consulted on these alternative budget proposals and has confirmed that they comply with statutory requirements for budget-setting.

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