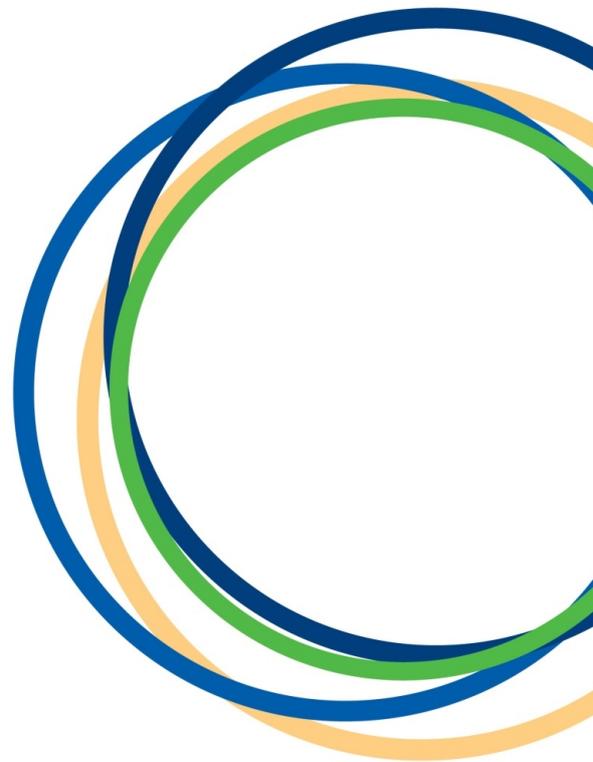


Minutes of a meeting of the **Executive** held at the **New Council Chamber - Town Hall, Reigate** on **Thursday, 21 July 2022 at 7.30 pm.**

Present: Councillors T. Schofield (Deputy Leader), T. Archer, R. H. Ashford, R. Biggs, N. J. Bramhall, E. Humphreys, V. H. Lewanski and C. M. Neame

Attended remotely: Councillor K. Sachdeva

Visiting Members: Councillor M. Blacker, J. Essex, N. Harrison (Chair of O&S) and S. Sinden



14 Apologies for absence

Apologies for absence were received from the Leader, Councillor Mark Brunt.

Councillor Sachdeva attended remotely so could not vote.

15 Minutes

The Minutes of the meeting on 21 July 2022 were approved.

16 Declarations of interest

There were no Declarations of Interest.

17 Medium Term Financial Plan 2023/24 to 2027/28

Councillor Schofield, Deputy Leader and Executive Member for Finance and Governance, gave an update on the Medium Term Financial Plan (MTFP) The report to Executive set out the detailed initial assessment of the key information that will be used for budget setting in 2023/24 onwards. This included a five-year forecast for the budget gap if action was not taken to reduce costs or increase income.

A Financial Sustainability Programme to deliver cost reduction and income generation initiatives over the coming years was underway. Detailed budget proposals for the coming year were due to be considered by Executive in November.

Members of the Overview and Scrutiny Committee had considered the report on the Medium Term Financial Plan and the options for addressing the forecast revenue budget challenges in 2023/24 onwards at its meeting on 14 July 2022.

There were no questions from Executive Members.

Councillor Harrison, Chair of Overview and Scrutiny Committee, gave an overview of the Committee's observations to Executive. The draft Minute from Overview and Scrutiny Committee (14 July) and written responses to questions raised at that

meeting was published [as an Addendum to the published agenda pack](#) on the Executive meeting web page.

Councillor Harrison noted that the figures were provisional. He referred to the report which indicated that the draft budget gap was predicted to be around £2m next year and he referenced the current use of reserves. A key factor was recouping income losses incurred during the COVID-19 pandemic, including predicted loss of car parking income of around £1.1m. Rising inflation rates (at 9.1% as at July 2022), set out in the Medium Term Financial Plan report, were raised. It was noted that MTFP forecasts do not include provision for general price inflation.

Councillor Harrison noted assumptions on 2023/24 forecast increase to salaries and set out in a written answer to O&S questions - with an allocation to fund contractual pay increases and an allowance for an annual pay award. The Local Council Tax Support Scheme Review and policy changes was also under review.

Deputy Leader and Executive Member, Councillor Schofield, said that inflation rates affected a number of services and purchasing areas. Business cases for budget growth and specific contract price increases will be considered when the draft budget for 2023/24 is prepared in the autumn. This included assumptions about setting Council Tax rates for 2023/24 and the following years.

Visiting Member, Councillor Essex, raised questions about the environmental sustainability plan and the need to invest to deliver on the Council's commitments in next year and future budgets. Two main areas were managing carbon reduction in the Council's buildings as well as efficiencies in the fleet budget and transport costs. Councillor Schofield explained that investment in fleet replacement is planned on a rolling replacement basis and the fleet manager is working with the environmental sustainability team to investigate alternative-fuelled vehicles.

Frank Etheridge, Strategic Head of Neighbourhood Services, confirmed that a trial of an electric single-bodied Refuse Collection Vehicle was due to take place in July to assess if it met service requirements but there had been a delay in delivery of the trial vehicle.

Councillor Schofield confirmed that the draft budget in November to Executive will include further information about environmental sustainability projects and future planned work in this area.

Visiting Members also asked about government grants as these continued to reduce, such as the Council's share of Business Rates, or were uncertain regarding whether they will continue for another year, such as the New Homes Bonus.

Councillor Schofield confirmed that the future of Business Rates was still under review by Government, and this may be confirmed in December when the Provisional Local Government Settlement was due to be published.

RESOLVED:

That the Executive:

- 1. Adopt the Medium-Term Financial Plan as the framework for the budget elements of Service and Financial Planning for 2023/24 onwards.**

18 **Capital Investment Strategy 2023/24 to 2027/28**

Executive Members considered the Capital Investment Strategy 2023/24 to 2027/28 report and supporting documents.

Councillor Schofield, Deputy Leader and Portfolio Holder for Finance and Governance, introduced the Capital Investment Strategy 2023/24 report and supporting documents. The Strategy ensures decisions on capital investment take account of stewardship, value for money, prudence, sustainability and affordability. The report included information about the assets owned by the Council and how they are used and perform, as well as the approach taken when considering new asset investments.

This was supported by the work carried out by the finance and property teams in the past year to further develop the Council's approach to capital and commercial investment, overseen by the Commercial Ventures Executive Sub-Committee and officer boards. The Deputy Leader explained that proposals for any new capital investment during the coming year will be reported as part of the Service & Financial Planning process.

The observations from Overview and Scrutiny Committee which met the previous week (14 July) were set out in a draft minute and written answers to Advance Questions from Committee Members published as an [Addendum to the Executive agenda pack](#).

Overview and Scrutiny Committee Chair, Councillor Harrison, highlighted the commercial investment position, the limited potential to generate profit from trading services, the links to the financial sustainability programme and reduced powers for local authorities to make investments solely for profit. The Committee had considered and asked questions on the forecast return on investment at Marketfield Way, Redhill (now known as The Rise) and noted the opportunities for income from housing development.

Councillor Harrison highlighted O&S Members' discussion on future rental income, valuation bases and the requirement for investment in Council-owned offices, including Beech House, Reigate, which is currently vacant. Officers confirmed that the budget to refurbish the offices was potentially up to £3m.

There were no further questions from Visiting Members.

There were no questions from Executive Members.

RESOLVED:

That the Executive:

1. **Adopt the Capital Investment Strategy as the framework for the Capital Programme elements of Service and Financial Planning for 2023/24 onwards.**

19 Statements

There was a Statement from Councillor Ashford, Executive Member for Community Partnerships, on financial sustainability in this service area.

Councillor Ashford updated Executive on the financial sustainability planning in his portfolio area which includes working with voluntary sector organisations that the Council funds to commission services from them. Councillor Ashford and the Head of Paid Service had met with representatives from those voluntary organisations in July. Over coming weeks officers (and Members represented on those voluntary sector boards) were consulting on grant funding over the 2023/24 period. The Council was looking at how it can support charities in additional areas such as in-kind support and fundraising support.

This was an ongoing discussion with local voluntary organisations which included: Citizens Advice Reigate and Banstead, Community Debt Advice, Voluntary Action Reigate and Banstead, East Surrey Domestic Abuse Service, I Chose Freedom (new name for Reigate and Banstead Women's Aid), Stripey Stork, MHA Communities East Surrey, Age Concern Banstead and Age Concern Merstham, Redhill and Reigate. This consultation process was taking place in advance of Service & Financial Planning in the autumn.

20 Exempt business

There were no Exempt reports or items of business.

21 Any other urgent business

There was no other urgent business.

The meeting finished at 7.48 pm