

Minutes of a meeting of the **Executive** held at the **New Council Chamber - Town Hall, Reigate** on **Thursday, 13 July 2023 at 7.30 pm.**

Present: Councillors R. Biggs (Leader); V. H. Lewanski (Deputy Leader), R. H. Ashford, H. Avery, A. King, J. P. King, R. Michalowski, N. C. Moses and C. M. Neame

Visiting Members present: M. S. Blacker, P. Chandler, N. D. Harrison, S. A. Kulka, S. McKenna, A. Proudfoot and S. T. Walsh



13 Apologies for absence

There were no apologies for absence.

14 Minutes

The minutes of the meeting held on 22 June 2023 were **APPROVED**.

15 Declarations of interest

There were none.

16 Reigate & Banstead 2025 Annual Report 2022/23

Councillor J King, Executive Member for Corporate Policy and Resources explained that this report was the annual report on the Council's progress in delivering the Corporate Plan. It also included an update on delivery of the Council's Equality Objectives. Both reports covered the year from April 2022 to March 2023.

The Corporate Plan Annual Report was at Annex 1 to the report and included updates on the work undertaken by services across the Council. Successes worth highlighting included:

- 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, more benefits secured via the Community Infrastructure Levy and continuing provision of very high quality neighbourhood services; and
- Positive outcomes from the first year of the financial sustainability programme and progress on 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. It also included a range of contextual indicators,

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which provided some background about the environment in which the Council has operated and the situation within the borough.

Annex 2 to the report highlighted the Council's four agreed equality objectives. Information was provided about the work that has been undertaken in 2022/23, to progress each of the objectives. This ranges from the use of data through to supporting good community relations and making sure that the Council was a fair employer.

The Council's current Equality Objectives covered the period 2020 to 2024. The report recommended that the objectives be continued for an additional year, so that they and the Corporate Plan can be reviewed at the same time, allowing future work on both to be fully aligned and coordinated.

The reports highlighted the wide range of excellent work being done by this organisation to support residents, in sometimes challenging times.

The Overview and Scrutiny Committee considered these reports at their meeting on 6 July 2023, and made a number of observations for Executive Members to consider.

An Addendum with the draft minutes were circulated prior to the meeting and covered the following points:

- Drawing on a range of data sources to inform the annual reporting process. Committee members expressed an interest in enhancing this supporting data in future, potentially through a residents' survey.
- The importance of working with partners to provide a joined up services to residents and a coordinated response to any concerns.
- Ensuring that the report's structure supports Members to effectively consider the work of the Council, including around reporting on outcomes and future plans and responses to changing circumstances.
- The Council being ambitious in considering equality matters, including wider aspects that may sit outside legally set 'protected characteristics.

It was noted that, a small section of text on page 28 of the annex was missing and would be added to confirm that the Council approved a balanced budget this year.

The Chair of the Overview and Scrutiny Committee made the following additional comments:

- The Committee had felt that despite officers having access to various sources of information from residents, that a thorough residents survey was considered by some committee members to have value;
- The Committee had discussed GLL and the leisure centres;
- It would be advantageous if the vacancy rate for commercial properties in the town centres was monitored;
- Further to the contextual indicators included, it would be useful to consider additional issues raised by these requiring action; and
- In relation to the equalities objectives, the Committee felt that tackling autism, dementia and income inequality as areas of equality/inequality could be investigated further.

The of Head of Corporate Policy, Projects & Performance acknowledged the comments regarding the structure and content of the reports. KPIs and other

contextual indicators would be reviewed when the updated Corporate Plan for 2025-30 was being formulated.

A member explained that the description of an award noted in the report as a Local Authority Building Control Award was named online as the Best Large Social Housing Development Award; it was felt that this was a more accurate description.

A member suggested whether additional equality considerations should be made for looked after children and care leavers. It was also suggested that reports be restructured, and this was outlined. It was felt that this would allow members to give commentary on how well the Council was doing and what members felt needed to be undertaken moving forward.

Concern was also raised regarding the number of larger houses that were required as it felt there was a mismatch between what was being built and what was needed.

The following responses were given to member questions:

- Page 66 of the report gave some clarification regarding why there appeared to be a high percentage of crimes relating to violence against the person.
- There were a number of larger properties (4 and 5 bed) that were being built in Westvale Park.
- In respect of the need for larger properties there was a disproportionate demand for properties that were 3 bedrooms and larger. It was acknowledged there were a number of larger properties that were under occupied. The downsizer project aimed to assist people to move to smaller properties, thus freeing up some larger properties.
- The Council had contributed to a development in the north of the borough which was for larger houses.
- Funding from Government targeting larger properties for the Afghan cohort had been undertaken and as these families moved out, these properties would become part of the Council's general housing stock.

Officers were thanked for their work on these reports.

Taking account of the reports presented, and the observations of the Overview and Scrutiny Committee, Executive Members were asked to approve these reports for publication. Following an agreement on the recommendations, the reports would be formatted to include supporting images and published on the website.

RESOLVED – that the Executive:

- (i) Agrees the Reigate & Banstead 2025 Annual Report for 2022/23 for publication.**
- (ii) Agrees the Equality Objectives Progress Report for 2022/23 for publication.**
- (iii) Agrees the continuation of the Council's current Equality Objectives to 2025.**

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

Councillor Lewanski, the Deputy Leader and Executive Member for Finance, Governance and Organisation, introduced the item stating that this latest Medium Term Financial Plan (MTPF) confirmed that local government continued to face a challenging financial situation with continued uncertainty about the local government funding regime.

The one resource that the Council had was time if it was used productively. There has been an early start with the budget preparations for next year and there has been continued work on the Financial Sustainability Programme to deliver cost reduction and income generation initiatives over the coming years.

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

It included a five-year forecast for the budget gap that the Council was facing if action was not taken to reduce costs or increase income.

Work was now underway with officers to develop the detailed budget proposals for consideration by Executive in November and to be reviewed by the Overview and Scrutiny Panel.

An all-Member briefing has been arranged for 27 July to help explain the basis for the MTFP assumptions and forecasts. Members were encouraged to attend. Members of Overview and Scrutiny Committee made no formal observations to the Executive on the Medium-Term Financial Plan, although there were several comments and questions, and these were published in an Addendum to the agenda.

The Chair of the Overview and Scrutiny Committee observed that the cumulative gap over the next five years was £5million and this would be challenging. A member of the Overview and Scrutiny Committee had requested an analysis of budget growth over recent years to help set the context for future forecasts and it had been agreed that this would be provided as a background paper for the Budget Scrutiny Panel. This would enable consideration of the significant changes in duties and costs over the period as well as income changes, including changes to grants from Government.

It was also acknowledged that proposed fees & charges increases would need to be considered as part of the budget setting process. Only including inflation where there is a specific pressure was a wise approach.

The Overview and Scrutiny Committee also considered the potential budget risks, including around staff recruitment and retention.

It was requested that future risk assessments included an estimate of the potential range for the financial impacts of risks, to support the narrative description.

The Committee was thanked for their comments.

The following responses were given to questions by visiting members:

- In terms of the addressing the forecast budget gap, it was confirmed that work was underway to consider the available options. The Executive and Heads for

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Services were currently reviewing opportunities for cost savings and income generation, therefore it was not yet possible to predict what the budget gap would be by November. The Chief Finance Officer explained that the purpose of this MTFP forecast was to set the scene before setting a balanced budget by next February.

- Regarding business rates, the Council currently kept around 5% of the money it collected, with the majority going to the Government and a small allocation to Surrey County Council. The amount the Council was able to retain fluctuated year on year depending on the parameters set by the Government. As billing authority, the Council did receive some funding for administrative costs.
- The Council was waiting for a Government announcement regarding the New Homes Bonus grant; as usual this was likely to happen in late autumn. The Council had no direct control over this and this made forecasting the budget quite challenging as this was a substantial sum. The Finance team continued to monitor communications from Government about the potential for reform, with some changes having been introduced over recent years and this was set out in the report.

It was noted that current forecasts in the MTFP were cautious.

In respect of business rates, it was acknowledged that due to Covid-19, the Government had in effect been paying the rates for many businesses and the Council was reimbursed via a grant. This support had now fallen away. The business rates that go back to Government were used to support other authorities as part of the general funding levelling-up.

RESOLVED that the Executive

(i) Recommend to Council that the Medium-Term Financial Plan be adopted as the framework for the budget elements of service and financial planning for 2024/25 onwards.

18 Capital Investment Strategy

Councillor Lewanski, the Deputy Leader and Executive Member for Finance, Governance and Organisation explained that the report presented the latest version of the Council's Capital Investment Strategy.

None of the information in this report was new, but it did bring all aspects together to demonstrate that there was a plan to ensure that capital spending decisions took account of the authority's stewardship, value for money, prudence, sustainability, and affordability responsibilities.

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

The report also included information about the significant assets that were in Council ownership, how they were used and how they were performing, as well as information about the new capital assets that the Council was investing in and how they were being funded.

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

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

Members of Overview and Scrutiny Committee made no formal observations to the Executive on the Capital Investment Strategy, although there were several comments and questions, and these were published in an Addendum to the agenda.

The Chair of the Overview and Scrutiny Committee made the following comments:

- The report on Commercial Property Performance in 2022/23 that was submitted to the Partner, Shareholder and Trustee Executive Sub-Committee held prior to this meeting had helped to answer some of the detailed questions on property investment returns that the Overview and Scrutiny Committee had raised regarding Tables 1,2 and 3 in this report.
- The Committee had considered the current position regarding plans for Beech House and again this had been discussed at the Partner, Shareholder and Trustee Executive Sub-Committee.
- The Capital Programme did not yet include any significant investment in electric vehicles despite options being considered. There had also been discussion around the requirement for investment in refurbishing buildings to improve energy efficiency to support delivery of the approved Environment Sustainability Strategy, however allocations had not been made in the Capital Programme.

In response to the comments, it was explained that various options were being considered relating to vehicle replacement, including electric and hydrogen power. The Chair of the Overview and Scrutiny Committee was thanked for the Committee's comments.

A visiting member stated that Surrey County Council's (SCC) capital programme for refurbishing buildings to improve energy efficiency was funded through a combination of grants, loans and invest to save projects as well as using some of their own resources, and that there was a Green Finance Strategy had been adopted for this. It was questioned whether the Council could develop further the Capital Strategy for these environmental elements as it represented a gap in the Capital Investment Strategy currently.

In response the Leader explained that SCC may be further advanced than this Council currently. In respect of vehicles the Council was not going to scrap its current fleet as this had an environmental impact too; a replacement programme needed to be developed to ensure the Council was working towards the most suitable power solution.

The following responses were given to questions from members:

- The Council was not currently considering selling any assets.
- All Council vehicles were maintained and repaired by the Council itself, therefore training staff to maintain electric or hydrogen vehicles would be necessary. Charging points would have to be installed at the Depot. Domestic use of vehicles was not comparable to commercial use.

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- The Council was exploring funding options for investment in environmental enhancements for Council-owned buildings, however the sum has not yet been confirmed.

RESOLVED – that the Executive:

- (i) **Recommend to Council that the Capital Investment Strategy be adopted as the framework for the Capital Programme elements of service and financial planning for 2024/25 onwards.**

19 Statements

There were no statements.

20 Any other urgent business

There was none.

21 Exempt business

There was no exempt business.

The meeting finished at 8.12 pm