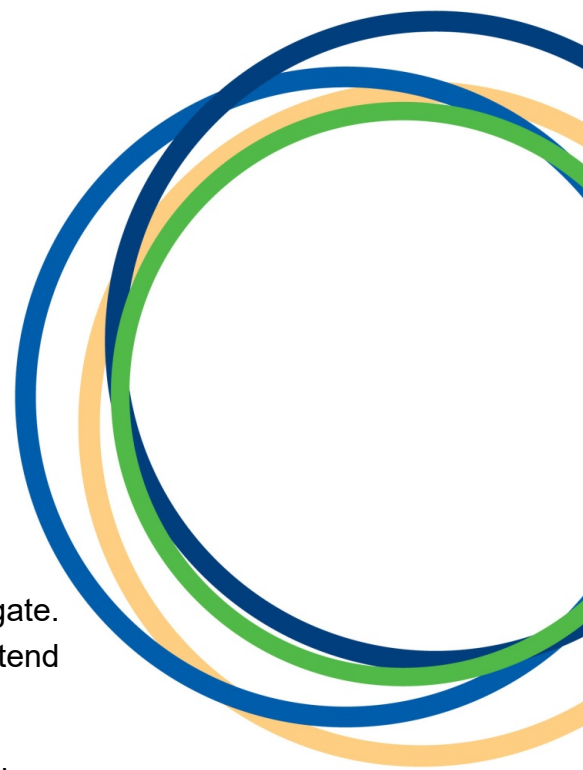


Agenda

Council



Tuesday, 20 February 2024 at 7.30 pm

New Council Chamber, Town Hall, Reigate



Members will assemble at the Town Hall, Reigate. Members of the public and Officers may attend remotely.



Members of the public may observe the proceedings live on the Council's [website](#).

Members of Reigate and Banstead Borough Council are respectfully summoned to attend a meeting of the Borough Council on Tuesday, 20 February 2024 at 7.30 pm.

Prior to the commencement of the meeting, prayers will be said by the Mayor's Chaplain

Mari Roberts-Wood
Managing Director

For enquiries regarding this agenda;

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Email: democratic@reigate-banstead.gov.uk

Published 12 February 2024

Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

1. Minutes (Pages 5 - 10)

To sign the Minutes of the meeting of the Council held on 18 January 2024.

2. Apologies for absence

To receive any apologies for absence.

3. Declarations of interest

To receive any declarations of interest.

4. Urgent business

To consider any urgent business.

5. Questions by Members

To consider any questions received from Members of the Council under Council Procedure Rule 2.15.

6. Recommendations

To receive and consider the recommendations of the Council's Executive, Committees and Sub-Committees for decision, including:

The meeting of the Executive held on 1 February 2024.

a) Budget & Capital Programme 2024/25 (Pages 11 - 70)

Related Committee agenda, reports and minutes are available [here](#).

b) Council Tax 2024/25 (Pages 71 - 84)

Related Committee agenda, reports and minutes are available [here](#).

c) Calendar of Meetings 2024 - 2025 (Pages 85 - 100)

Related Committee agenda, reports and minutes are available [here](#).

7. Statements

To receive any statement from the Leader of the Council, Members of the Executive, Chairmen of Committees or the Managing Director.

8. Pay Policy Statement for 2024/25 (Pages 101 - 116)

To receive and approve the Council's Pay Policy Statement for 2024/25.

9. Constitution update: delegated authority to declare casual vacancies (Pages 117 - 124)

To receive and approve an update to the Council's Constitution to enable the declaration of casual vacancies under delegated authority.

10. Leader's announcements

To receive any announcements by the Leader of the Council.

11. Mayor's announcements

To receive any announcements from the Mayor.



Our meetings

As we would all appreciate, our meetings will be conducted in a spirit of mutual respect and trust, working together for the benefit of our Community and the Council, and in accordance with our Member Code of Conduct. Courtesy will be shown to all those taking part.



Streaming of meetings

Meetings are broadcast live on the internet and are available to view online for six months. In attending any meeting, you are recognising that you may be filmed and consent to the live stream being broadcast online, and available for others to view.



Accessibility

The Council's agenda and minutes are provided in English. However, the Council also embraces its duty to anticipate the need to provide documents in different formats, such as audio, large print or in other languages. The Council will provide such formats where a need is identified prior to publication or on request.



Notice is given of the intention to hold any part of this meeting in private for consideration of any reports containing "exempt" information, which will be marked accordingly.

Minutes of a meeting of the **Council** held at the **New Council Chamber - Town Hall, Reigate** on **Thursday, 18 January 2024 at 7.30 pm.**

Present: Councillors E. Humphreys (Mayor) and R. Biggs (Leader); J. Baker (Deputy Mayor), V. H. Lewanski (Deputy Leader), G. Adamson, R. H. Ashford, H. Avery, M. S. Blacker, J. Booton, J. S. Bray, G. Buttironi, P. Chandler, V. Chester, Z. Cooper, J. Dwight, J. C. S. Essex, K. Fairhurst, B. Green, P. Harp, N. D. Harrison, G. Hinton, J. Hudson, F. Kelly, S. Khan, A. King, J. P. King, S. A. Kulka, S. McKenna, R. Michalowski, N. C. Moses, C. M. Neame, S. Parnall, A. Proudfoot, R. Ritter, S. Sinden, M. Smith, C. Stevens, M. Tary, C. Thompson, D. Torra and S. T. Walsh

51 Minutes

RESOLVED that the Minutes of the meeting of Council held on 30 November 2023 be approved as a correct record and signed.

52 Apologies for absence

Apologies for absence were received from Councillors Elbourne, Harper, Sachdeva, and Thorne.

53 Declarations of interest

There were none.

54 Urgent business

There was none.

55 Petition: Reinstate Monitored CCTV Cameras in our Town Centres

The lead petitioner, Mr Liam Castles, introduced the petition:

- When gathering signatures, it became apparent that there was anger that CCTV cameras had been decommissioned. An apology to residents was needed for changing the policy without their consent.
- The petition called for CCTV cameras to be reinstated in the Borough's Town Centres, for Surrey police to reinstate regular patrols around Town Centres and for the Council to work with local stakeholders to set-up and operate a *ShopWatch* scheme. These were basic necessities and would ensure Town Centres were

Agenda Item 1

Council, Thursday, 18th January, 2024

safer and free from crime. The Council was called on to explain why it thought the decision to decommission CCTV had been rational.

- The decommissioning of CCTV cameras had put residents at greater risk of crime. 54.7% of reported crimes in Redhill Town Centre over the last three years had not resulted in a prosecution. It was questioned if this had been a financial decision and if that was appropriate.
 - The removal of CCTV had put the protection of local businesses in the hands of small business owners who lacked the financial capacity and time to install and monitor cameras. They felt that they had not been listened to and that the Council did not care about their situation.
 - New developments in the Redhill night-time economy were also being put at jeopardy. Residents, staff and patrons would feel unsafe meaning that customer would go elsewhere.
 - The report on the petition put emphasis on the financial implications of reinstating CCTV cameras without putting forward any alternative solution. The Conservative led Council was called on to use its influence with the Conservative Police and Crime Commissioner to increase patrols in Town Centres.
 - The Council was called on to be much stronger on crime by supporting the petition.
-
- Councillor Biggs, the Leader of the Council, provided the response to the petition:
 - The petition states that the decision made in December 2020 to decommission monitored CCTV was made based on data relating to the period of the COVID pandemic. This was incorrect. The decision was made following extensive discussions with the police and based on data which predated the pandemic.
 - The police had confirmed that CCTV in the public realm continued to be largely unused for the detection of crime.
 - The Council had invested in CCTV in the Borough's three largest parks and in its two multi-storey car parks in Bancroft Road and Clarendon Road. This was based on there being evidence of the value of CCTV in these spaces.
 - The impact of privately owned CCTV cameras both static and mobile was emphasised. A review of Town Centres in late 2023 confirmed that these were covered by 450 privately owned cameras, all with some coverage of public spaces. The police had invested in a reporting system which allowed residents and businesses to quickly, easily and safely upload footage for review to help maintain the public realm.
 - The action being requested by the petition would incur a significant cost for the Council of around £500K. This was 3% of the Council's budget which would require additional funding to be identified if this cost were going to be met.
 - Decisions about the operation of the police were not within the gift of the Police & Crime Commissioner. Rather these were determined by the Chief Constable with the Council pleased to leave these decisions in his very capable hands.
 - The Council worked extensively with local businesses to support them. It would willingly consider potential schemes such as *ShopWatch*.

Up to four Members were able to speak on the petition. Three had registered by the deadline. Councillor Blacker made the following comments:

- Caution was expressed over the extensive use of CCTV cameras. It was questioned if it was desirable that so much recording was happening.
- It was highlighted that there were 39 new CCTV cameras in the Borough with a local recording facility. These were in the Bancroft and Clarendon Road car parks, and Priory, Memorial and Lady Neville parks.

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Council, Thursday, 18th January, 2024

- The lead petitioner was called on to suggest any other particular spots where CCTV should be considered.

Councillor Smith made the following comments:

- Removing monitored CCTV from Town Centres was contrary to being aware of what was happening and addressing any problems in the Borough's communities.
- Rather than focusing on the financial implications of the CCTV decisions, the focus should be on the effects of rising levels of crime in the Borough's Town Centres. Examples were given. One shop worker had organised to leave work with colleagues so they did not feel unsafe. Another shop owner organises taxis to take staff to the local car park at the end of their shifts. Businesses had recorded and uploaded evidence of crime as had been requested but they still had no evidence that any action had been taken as a result. One resident had been run over but as there was no recording of the incident she had been told by the police that it could not be pursued as there was no proof.
- Oxted was highlighted as an authority which had installed a new CCTV system to improve resident safety. The Council was called on to engage and learn from Oxted's experience.
- Clarity was requested on the impact of the partial closure of the Reigate Police Station due to Reinforce Autoclaved Aerated Concrete (RAAC) being identified in the building.

Councillor Kulka made the following comments:

- Reported that he had tried to follow-up on an incident that he had witnessed in Redhill Town Centre but had been told that recording only started when a camera had been focused on a specific spot.
- Had consulted with residents, the vast majority of whom knew nothing about the petition but had thought CCTV would support the work of Police and Community Support Officers.
- Called for residents to be encouraged to make their private CCTV footage available for use in crime detection.

Councillor Essex requested to speak on the petition. However, it was established that he had not registered in accordance with the Procedure Note distributed to all Members in advance of the meeting and therefore his request was declined by Mister Mayor.

Councillor Biggs was given the opportunity to respond to the petition debate:

- Acknowledged that it was important to review decisions such as the one to decommission CCTV made in December 2020 because of all that had happened since.
- Noted that not all CCTV had been decommissioned as a result of the decision in December 2020. Some had continued with this only ceasing when the police station had been closed due to RAAC. As a result, the Council had immediately taken steps to introduce local recording of town centre cameras, with recorded footage being retained for 14 days.
- A solution to those town centre cameras that were not working was being explored to see if they could be brought back into operation without major expense.
- Acknowledged that residents were not well informed about some Council decisions. Called on all Councillors to help with dissemination.
- Oxted's decision to install a new CCTV system was not funded by the Parish or District Council. It was important to consider what was best to do with residents' money.

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Councillor Biggs proposed and Councillor Lewanski seconded a motion to refer the petition for further consideration to the Executive.

RESOLVED that Council refer the petition for further consideration to the Executive

56 Interim Polling Place and District Review 2023/24

The Managing Director introduced the report. It was explained that following a review of Parliamentary boundaries by the Boundary Commission for England, the interim review sought to ensure that all electors had reasonable facilities for voting at the forthcoming Borough Council, Police & Crime Commissioner and Parliamentary elections in 2024.

RESOLVED that the recommendation to designate the polling places for polling districts as outlined in the officer's report and addendum be approved.

57 Report of the Independent Remuneration Panel on Members' Allowances for 2024/25

The Managing Director introduced the report. It was explained that this set out the Members' Allowances scheme for 2024/25 following a review by the Council's Independent Remuneration Panel (IRP). There were eight recommendations for Council to consider as detailed in Annex 1 to the report to apply from 1 April 2024.

Councillor Lewanski moved two amendments to the recommendations, that:

1. The Special Responsibility Allowance paid to the Leader of the Council increase to £19,000 for 2024-25 rather than £15,800 as recommended by the IRP; and
2. The Special Responsibility Allowance paid to the Leader of the largest Opposition Party increase to £3,800 rather than £3,310 as recommended by the IRP.

Councillor Lewanski put forward the following rationale for his amendments:

- Good candidates to the position of Leader should not be discouraged on the grounds of financial pressures.
- Not all Councillors were retired and many worked at the same time as carrying out their Councillor duties. Whilst the role was demanding, the Leader was only able to commit to allocating one day a week to being in the Council in person. This was a new approach and allowed face-to-face meetings with residents, officers and Members. However, these were time restricted. An increase in the Leader's Special Responsibility Allowance (SRA) would allow work commitments to be reduced and more time given to Council responsibilities.
- Under this Leader, there had been a reduction in the number of Executive Members, requiring him to take a more hands-on approach with elements of various portfolios. This reflected a saving of around £10K well in excess of the additional £3,200 being recommended was added to the Leader's SRA.
- Previous IRP recommendations that the Leader's SRA should be increased had not been accepted and this would bring parity with the previous recommendations.
- Whilst it was not a requirement that the Leader of the Opposition's SRA be fixed at 20% of that paid to the Leader, it was being recommended that this be increased in line with that of the Leader as part of the motion.

Councillor Neame seconded the amendments proposed by Councillor Lewanski.

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Mister Mayor invited other Members to speak on the item.

Councillor Booton spoke to the item making the following comments:

- The amendments to the recommendations made by the IRP were difficult to accept.
- The IRP had consulted with Group Leaders. It was therefore assumed that the suggestion of a larger increase in the SRA for the Leader had been made. The IRP would have considered this as part of its review but had decided not to have increased the Leader's SRA further.
- As detailed in the terms of reference for the IRP, it had taken into consideration the difference in responsibilities and the time commitment of various roles when making its recommendations.

Councillor Harrison spoke in favour of supporting the amendments to the recommendations.

RESOLVED to accept the amended recommends as detailed in the officer's report.

The meeting finished at 8.10 pm

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SIGNED OFF BY	Chief Finance Officer
AUTHOR	Pat Main Chief Finance Officer
TELEPHONE	Tel: 01737 276063
EMAIL	pat.main@reigate-banstead.gov.uk
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:	
<ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 	

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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.

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SIGNED OFF BY	Chief Finance Officer
AUTHOR	David Brown, Finance Manager, Management & Commercial Accounting Pat Main Chief Finance Officer
TELEPHONE	Tel: 01737 276680 / 276063
EMAIL	david.brown@reigate-banstead.gov.uk pat.main@reigate-banstead.gov.uk
TO	Executive
DATE	Thursday 1 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
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 Reserves are approved following the allocation of additional Revenue Budget funding of £0.209 million in the Final Local Government Settlement:
- a) £0.105 million to the Environmental Sustainability Reserve; and
 - b) £0.104 million to a new Community Partnerships Reserve.

That Executive authorise:

- (xii) The Chief Finance Officer to make any necessary final technical adjustments to the Budget and Council Tax arising from final budget refinements or changes to Government funding.

REASONS FOR RECOMMENDATIONS:

To ensure that the Council continues to plan and manage its resources well, deliver high standards of service and meet the aims and objectives of its Five-Year Plan for 2020-2025 and supporting Strategies.

EXECUTIVE SUMMARY:

This report sets out the recommended Revenue Budget and a £7.47 (2.99% per annum) increase in Band D Council Tax for 2024/25. It also presents the recommended Capital Programme for 2024/25 to 2028/29.

Recommendations (i) to (x) are subject to approval by the Council. The Executive has authority to approve recommendation (xi).

STATUTORY POWERS

1. The Local Government Act 1972 requires the Council to set the associated annual budget as part of proper financial management. This report is part of that process.
2. The Local Government Act 1992 requires councils to set a balanced budget and announce the Council Tax level by 11 March each year. Section 65 of the Act requires the Council to consult representatives of those subject to non-domestic rates in the Borough about its proposals for expenditure for each financial year.
3. The Chief Finance Officer has a key role to play in fulfilling the requirements of the statutory duty under the Local Government Act 2003 to keep the authority's finances under review during the year and take action if there is evidence that financial pressures will result in a budget overspend or if there is a shortfall in income.
4. Council Tax Reduction Scheme: Section 13A(2) of the Local Government Finance Act 1992 (as amended) requires billing authorities to make a reduction scheme for persons in financial need or classes of persons that the authority considers – in general – to be in financial need. Section 13A(1)(c) of this Act gives billing authorities the power to reduce a liability to an extent that is seen fit.
5. Local Council Tax Support Scheme allowances and premiums will be increased on 1 April 2024 in line with other national increases contained within the Housing Benefit Regulations 2006 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. The new and revised Local Council Tax Support Scheme as detailed in this report is recommended to commence for the Council from 1 April 2024.

FINANCIAL CONTEXT

6. The purpose of this report is to:
 - Set out the recommended Revenue Budget and Council Tax for 2024/25 following scrutiny of the draft budget proposals and the Provisional Local Government Funding Settlement announcement on 18 December 2023;
 - Set out the proposed Capital Programme for 2024/25 to 2028/29;
 - Set out the proposed new Local Council Tax Support Scheme that is recommended to commence from 1 April 2024; and

- Receive a commentary on the budget and adequacy of reserves from the Chief Finance Officer, in accordance with the statutory duty under Section 25 of the Local Government Act 2003.

Government Funding

7. The 2024/25 Provisional Local Government Finance Settlement was published on Monday 18 December 2023 and the Final Local Government Settlement was published on Monday 5 February 2024. The Settlements follow the announcement of the Autumn Statement on 22 November 2023 and a policy statement that was issued on 5 December 2023. The 2024-25 settlement is effectively the second year of a two-year settlement. In short, the settlement rolls-over of the core elements of Spending Review 2021 (SR21) funding levels and funding principles already announced in the previous years' Autumn Statement of 2022.
8. The emphasis of the Settlements once again this year, is to provide stability by rolling forward key elements of 2023/24 funding alongside extra funding for priority areas, such as social care, and a commitment to increase district and borough authorities' Core Spending Power (the Government's measure of the resources available to local authorities to fund service delivery).
9. The Provisional Settlement 2024/25 settlement has again provided a Minimum Funding Guarantee grant increase of 3% and the Final Settlement, confirmed on 5 February 2024, increased this by a further 1% plus a minor increase in Service Grant as outlined below. The Provisional and Final Settlements confirmed the ability for district and borough councils to increase their Council Tax by up to 2.99% without the need for a council tax referendum. In addition to the other elements received in the Settlements (summarised below) the Department for Levelling Up, Housing and Communities (DLUHC) advises that this effectively, increases council resources by at least 7.5%, after taking account of the increased council tax referendum limit. While the Settlement is welcomed it is important to note that CPI still remains high at 4.0% at January 2024 and a cost of living crisis still exists across the UK therefore council budgets remain pressured.
10. The key principles of one-year settlements are listed below. It should also be noted that the current expectation again, is that local government funding reforms will not take place until after the next general election, therefore no earlier than 2025/26.

The main points from the settlement are set out below:

- **Council Tax** – the council tax referendum limit will be 3% for lower tier authorities. There will be a continuation of the adult social care precept (to benefit the County Council) allowing a further 2% on Band D council tax.
- **Business Rates (NNDR) Retention** – the business rates multiplier has once again been frozen instead of increasing in line with inflation. Therefore, the three elements of the NNDR Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) remain at 2023/24 levels. However, the Under-Indexing Multiplier Grant has been increased to £0.491m to ensure that local authorities' shares of NNDR income is not impacted (although the indexing basis is now RPI instead of CPI). The NNDR Revaluation in April 2023 is not anticipated to have significant impacts on this Council's funding position (or its own NNDR costs) due to the associated transitional support arrangements.
- **Top Up/Tariff Adjustments ('Negative RSG')** – as in previous years, DLUHC has eliminated the negative RSG impact for another year.
- **Lower Tier Services Grant** – this grant has been deleted from 2023/24

- **Services Grant** – this grant has been retained but reduces to £0.017m (net after a minor adjustment of £0.002m in the Final Settlement).
- **Minimum Funding Guarantee Grant** – this continues from 2023/24 onwards – and represents funding to ensure an increase in all authorities' Core Spending Power for this Council has increased to £1.329m in the Provisional Settlement, and increased again in the Final Settlement to £1.536m – an increase of £0.207m.
- **New Homes Bonus** – for 2024/25 one year allocations are announced. The 'deadweight' of 0.4% has been maintained but there are no longer any 'legacy' payments in respect of previous years' allocations. The allocation for this council for 2024/25 is £0.806m – a reduction compared to 2023/24.
- **Revenue Support Grant** an amount of £0.158m has been allocated to this Council to fund continuation of the Local Council Tax Administration Grant and the Family Annex Allowance which is a council tax discount that is applied.
- **Homelessness Prevention Grant** – £0.695 million Homelessness Prevention Grant for 2024/25 was announced in the Settlement which is the second year allocation from the existing Government scheme.

11. The Council's allocation of Government grant funding increased by £0.209 million in the Final Settlement announcement on 5 February 2024, comprising additional Service Grant of £0.002 million and additional Minimum Funding Guarantee Grant of £0.207 million.

12. The 2024/25 Revenue Budget was balanced before receipt of this additional funding. It is therefore recommended that £0.209 million is transferred to earmarked Revenue Reserves:

- £0.105m to the Environmental Sustainability Reserve; and
- £0.104m to a new Community Partnerships Reserve.

MEDIUM TERM FINANCIAL PLANNING

13. The Council has been planning for the continued loss of Government funding, with the objective to become financially self-sufficient going forward. In order to achieve self-sufficiency the Council needs to continue to find budget efficiencies whilst also generating new sustainable sources of additional income.

14. An updated Medium Term Financial Plan (MTFP) was approved on 13 July 2023 and forecasts were refreshed in November 2023 with latest information. The MTFP sets out the financial direction of the Council over the medium term to ensure that the Council plans and manages its resources effectively. It also sets out the priorities that have been taken into account when preparing the budget for 2024/25:

- To ensure resources are aligned with the Corporate Plan **priorities**;
- To maintain a **balanced budget** such that expenditure matches income from council tax, fees & charges, and government and other grants and to maintain that position;
- To set a rate for **council tax** which maximises income necessary to deliver our strategic objectives while ensuring that Government referendum limits are not exceeded. The percentage increase will be reviewed annually and be approved by Full Council;

- To maximise other income by setting **fees & charges**, where the Council has the discretion and need to do so, at a level to ensure at least full cost recovery, promptly raising all monies due and minimising the levels of arrears and debt write offs;
- To ensure a long-term sustainable view is taken of our **investments** and that appropriate risk analyses are used when considering new investments;
- To consider and take advantage of **commercial opportunities** as they arise to deliver new income streams; and
- To maintain an adequate and prudent level of **reserves** and regularly review their planned use and allocation to support delivery of our priorities.

15. The latest MTFP forecasts are set out at Annex 1 and indicates a forecast budget gap of £2.353 million for the Council in 2025/26, increasing to £5.586 million by 2028/29. Further work will commence to update MTFP forecasts to support service & financial planning for 2025/26 onwards. The outcome will be reported to Executive in summer 2024.

Financial Sustainability Programme

16. Reliance on one-off measures such as the use of Reserves is not without risks and will not be sustainable over the long-term. Going forward, solutions that reduce costs or increase income on a permanent basis will have to be identified over the MTFP period.

17. A Financial Sustainability Programme has been implemented, focussing on four key areas:

- Income Generation
- Pursuing opportunities to generate new income streams;
 - Optimising Fees & Charges; and
 - Implementation of the Commercial Strategy.

- Use of Assets
- Making effective use of existing assets, including the repurposing and sale of surplus properties.

- Prioritisation of Resources
- Reviewing in-year budget monitoring forecasts to identify new opportunities for savings and efficiencies;
 - Reviewing the level of service provided and focussing resources on priority services; and
 - Managing pay costs and making effective use of staff resources.

- Achieving Value for Money
- Actively pursuing options to share with other councils to realise efficiency savings; and
 - Identification of invest to save opportunities – including investment in technology and assets to reduce operational costs.

18. The Corporate Governance Group (comprising statutory officers and Directors) oversees progress in the identification and delivery of initiatives in the Plan while delivery of individual projects is managed through officer management Boards.

19. Progress is reported to Executive, Overview & Scrutiny and individual Portfolio holders as part of quarterly performance reporting. A further update on the programme was

provided in the Service & Financial Planning report presented in November 2023 at Annex 2 (Appendix 5).

Commercial Strategy

20. While service efficiencies and council tax increases are important, their contribution to addressing the financial challenges faced by the Council is limited. It is therefore important that the Council also operates more commercially in some areas, where this is consistent with the ethos of the organisation. This means maximising existing net income streams and generating new ones to support service delivery. This requires investment – and will have an element of risk – but it will also enable the Council to develop and grow into a self-sustaining organisation.
21. To guide its work in this area, the Council has adopted a Commercial Strategy (Part 1 - November 2020 and Part 2 - December 2021).
22. The definitions and principles that the Strategy includes, and the categories of activities it sets out, are intended to assist in the understanding of why this Council needs to undertake commercial activity, and how such activity will be approached, and future investment focused.

Part 1 sets out three guiding principles for commercial activity:

- **Principle 1:** Our commercial activity will be ethical, and consistent with the Council's statutory responsibility to promote economic, environmental and social wellbeing in the borough, and our corporate objectives as well as in line with all relevant advice and guidance;
- **Principle 2:** Any decisions which have a commercial aspect will be based on a robust assessment of the business case using consistent relevant criteria, and appropriate due diligence and risk assessment; and
- **Principle 3:** Surplus income generated through our commercial activities will be used to ensure the financial sustainability of the Council and continued delivery of services for local people.

Part 2 explains that the main elements of a commercial approach will be:

- A project pipeline to establish new income streams from asset activity while also delivering broader corporate objectives.
- Ensuring that existing income streams that the Council already relies on from its assets are maintained and where possible increased; and that assets are repurposed, redeveloped or disposed of where they are a cost to the Council to retain them.
- Investing in new assets to secure income or deliver savings whilst also delivering corporate priorities.
- Continuing to sell or trade services where the Council already does this; and looking to introduce new trading activity where this aligns with the Council's local government remit and areas of expertise.
- Taking a more commercial approach to fees and charges.

23. The Strategy also includes a Commercial Activity Action Plan, progress on which will be reported annually. The Action Plan will support delivery of new income generation opportunities for inclusion in future MTFP forecasts. An annual report on progress against Strategy objectives is presented in December each year. As noted above, for this Council, consideration of commercial matters is now primarily taking place within the context of the wider Financial Sustainability Programme. This shares many of the objectives of the Commercial Strategy but also reflects the recent tightening of the Prudential Code 2021 and considers financial sustainability from a broader, more complete perspective. The Prudential Code 2021 specifically restricts councils from borrowing in advance of need, i.e. borrowing to purchase assets with the sole intention of making a return or yield. The Commercial Strategy adheres to these requirements.
24. The Partner, Shareholder and Trustee Executive Sub-Committee, supported by other Executive Members, has been working to develop and implement the Council's commercial agenda. This has included (and will continue to include) consideration of potential investment opportunities, opportunities to improve the performance of the Council's existing asset portfolio and activity in relation to companies within which the Council has an interest. The sub-committee considers all potential and existing commercial activity in the context of the wider economic and policy framework within which the Council needs to operate.
25. The 2024/25 budget proposals and MTFP include forecasts for income from the newly-constructed leisure and commercial units at The Rise (Marketfield Way) development. These are based on an assessment of confirmed rental income net of landlord overheads and handover expenses. Forecasts will be updated in future budget and MTFP reports as the remaining units at the development are handed over and tenancies are signed.
26. Work also continues under the Strategy to review the Council's property assets in order to identify potential development opportunities that can be formulated into a project pipeline, notwithstanding the requirements to comply with the Prudential Code restrictions in terms of borrowing in advance of need. An annual report on progress against the Council's Commercial Strategy was provided in December 2023.

REVENUE BUDGET

27. The Revenue Budget comprises five 'building blocks' as follows:
 - **Net Cost of Services:** These are the direct costs incurred in delivering services, net of specific income generated by them;
 - **Central Budgets:** These are costs incurred and income received that are not service-specific, eg. Pension Fund deficit contributions and treasury management costs and income;
 - **Sources of Funding:** These income budgets are general, non-service specific income sources. They include other grant funding from Central Government and our share of Non-Domestic Rate income;
For 2024/25 it includes the continued impact (benefit) of the one-off elimination of 'Negative Revenue Support Grant'. Over the medium term this is expected to cease (now no sooner than 2025/26) resulting in a significant future budget pressure;

- **Council Tax:** After the budget requirement has been established for the other blocks then the amount required by this Council from council tax can be calculated; known as the 'Demand on the Collection Fund'; and
- **Contributions (to)/from Reserves:** This relates to use of Earmarked Revenue Reserves, which have been allocated to fund specific purposes. The impact of the use of Reserves is a reduction in the total income demand on council taxpayers. It also refers to the use of funds from the General Fund Balance to support the annual revenue budget.

28. The table below summarises the final Revenue Budget for 2024/25

Table 1: BUDGET SUMMARY	Budget 2023/24 £m	Budget 2024/25 £m
1. Net Cost of Services	20.618	18.578
2. Central Budgets	2.576	4.589
NET EXPENDITURE 2023/24	23.194	23.167
3. Council Tax	16.293	16.675
4. Business Rates (NNDR)	3.994	3.344
5. Other Un-ringfenced Grants		
• Services Grant	0.093	0.017
• New Homes Bonus Grant	1.034	0.806
• Minimum Funding Guarantee Grant	0.803	1.536
6. Grants Transferred to Reserves:		
• Homelessness Prevention	0.686	0.695
• Transfer to Reserves	(0.686)	(0.695)
7. Transfers to Reserves – Following the Final Settlement:		
• Community Partnerships Reserve	-	(0.104)
• Environmental Sustainability Reserve	-	(0.105)
8. Call on Earmarked Reserves:		
• Government Funding Risks Reserve	0.484	0.694
• IT Strategy Reserve	0.493	0.304
NET SOURCES OF INCOME	23.194	23.167

NOTE

1. The actual sum to be drawn from Reserves to support the budget will depend on the budget outturn position for 2024/25. Over recent years the budget outturn has been an underspend position with no requirement to call on Reserves. The call on Government Funding Risk Reserve will depend on the extent of additional excessive demand for supported housing which is unmatched by Housing Subsidy Grant from Government.

2024/25 Service Budget Proposals

29. Service budget proposals are summarised below:

Table 2: SERVICE BUDGET PROPOSALS	Approved Budget 2023/24 £m	Proposed Budget 2024/25 £m	Net Budget Increase / (Decrease) £m
ORGANISATION			
Communications / Customer Service	1.170	1.171	0.001
Finance	1.260	1.260	-
ICT	1.903	2.183	0.280
ICT - Reserve-funded growth for Strategy implementation	0.493	0.304	(0.189)
Legal & Governance	2.358	2.223	(0.135)
Organisational Development & HR	0.733	0.733	-
Corporate Policy, Projects & Performance (including Environmental Sustainability)	0.447	0.515	0.068
Property & Commercial	0.431	(0.581)	(1.012)
PLACE			
Economic Prosperity	0.288	0.276	(0.012)
Neighbourhood Operations	4.803	4.542	(0.261)
Place Delivery	0.334	0.334	-
Planning	0.595	0.455	(0.140)
PEOPLE			
Community Partnerships	1.306	1.271	(0.035)
Housing	0.898	0.848	(0.050)
Revenues, Benefits & Fraud	1.597	1.621	0.024
Revenues, Benefits & Fraud—growth for Reserve funded government funding risk	0.564	-	(0.564)
Leisure & Culture	0.408	0.393	(0.015)
SENIOR MANAGEMENT TEAM	1.030	1.030	-
TOTAL	20.618	18.578	(2.040)

30. From 2023/24 onwards the cost of housing benefit payments and associated government funding has been reported in budget monitoring as Central Budget item instead of within Service budgets (Revenues, Benefits & Fraud) on the basis that these are costs that are generally outside Council's direct control.

Grant Funded Posts

31. An area for future consideration as part of budget-setting relates to posts that are currently funded through calling on the Homelessness Prevention grant that is held in an Earmarked Reserve. They comprise:

- Housing 10.9 FTE £0.409m
- Revenues, Benefits & Fraud 1.0 FTE £0.033m

32. The 2023/24 Homelessness Prevention grant allocation of £0.668 million was confirmed in December 2022 along with £0.011 million of new burdens funding. This has been transferred to an earmarked Reserve until called upon to fund related expenditure. While there is currently sufficient grant funding available for these posts to continue in 2023/24 there remains a risk that the grant may cease and a decision will be required whether to continue to fund these posts through the Revenue budget as part of next years' service & financial planning process

33. Other posts that are funded fully or in part from fixed term resources include:

- Community Partnerships 1.0 FTE £0.045m E. Surrey Heartlands NHS
- Community Partnerships 0.4 FTE £0.019m Surrey County Council
- Community Partnerships 0.2 FTE £0.008m Safer Streets Redhill
- Leisure & Intervention 4.3 FTE £0.167m Refugee Support Grants
- Leisure & Intervention 4.0 FTE £0.158m East Surrey Partnership
- Planning & Development 2.0 FTE £0.087m Community Infrastructure Levy
- Corporate Policy 0.8 FTE £0.042m UK Shared Prosperity Fund

34. As reported to Executive in 2023/23, work is underway on preparing the new Local Plan which will continue until 2028, funded through a call on the Corporate Plan Delivery Fund Reserve. The Council's response to the Development Consent Order relating to Gatwick airport expansion is also in progress and is expected to be completed by the end of 2024/25.

35. Net Service savings, additional income and growth proposals of £0.776 million (consisting of £0.943 million growth minus savings of (£1.719) million) were approved in the Service & Financial Planning 2024/25 report to Executive on 16 November 2023. This included the deletion of 1.0 FTE vacant funded post and (£0.540) million additional income from Fees & Charges.

36. Since the Service & Financial Planning report to Executive on 16 November, there have been new Service revenue budget growth proposals identified which total £0.169 million and new proposals or revisions to savings/income which total (£0.035) million. A number of these items relate to recommendations that were approved by Executive on 14 December 2023. Details are provided at Annex 2.

Service Budget Issues, Risks and Opportunities – 2023/24 Onwards

37. In addition to the service budget growth proposals in this report there are other potential service budget pressures and opportunities, risks and opportunities that will have to be addressed in 2024/25 onwards:

Issues:

(i) Temporary accommodation crisis and costs

- Councils provide a safety net for the most vulnerable people including refugees who need help, the cost and availability of this is a significant budget risk for this Council for 2024/25 and future financial years.
- Figures from the Department of Levelling Up, Housing and Communities indicate that the cost of temporary accommodation to local authorities reached £1.7bn last year and is increasing rapidly.

- In October 2023 the District Councils Network issued a cross-party letter ahead of the Autumn Statement urging the Government to adopt measures to mitigate the impacts. Councils have shared information and are exploring solutions amid the ‘escalating social and financial crisis’ created by the soaring need for temporary and emergency housing.
 - An increase to the previously frozen Local Housing Allowance (LHA) was announced in the Autumn statement, any increase is welcome and needed however the level of increase is not due to be announced until the end of January. The increase is supposed to bring the LHA back up to the 30th percentile of local private rents.
- (ii) Harlequin Theatre
- Following confirmation of the presence of Reinforced Autoclaved Aerated Concrete (RAAC) at the Harlequin Theatre in September 2023, there is an emerging a risk of income loss and additional costs.
 - Work is in progress to confirm the extent of the problem and the remedial action required with the timeframe for executing the rectification.
 - It had previously been forecast that increased income would be possible for 2024/25, however the RAAC discovery has negated this opportunity for the time being. The impacts on ongoing service delivery were being assessed at the time of preparing this report and further updates to Executive are planned when the outcome of that work is confirmed.

Risks:

(i) Government Resources & Waste Strategy

- An announcement on 20 October 2023 confirmed the outcomes of consultation on proposals set out in the Waste & Resources Strategy from 2018. These outcomes will be introduced via secondary legislation following enactment of the Environment Bill.
- The Strategy sets out how the Government intends for the country to preserve material resources by minimising waste, promoting resource efficiency, and moving towards a circular economy.
- Three key measures from the Strategy are:
 - Invoke the ‘polluter pays’ principle and extended producer responsibility (EPR) for packaging;
 - Introduce a deposit return scheme (DRS) for drinks containers, to reward people for bringing back bottles and encourage them not to litter their empties; and
 - Improve recycling rates by implementing the Simpler Recycling system for all local authorities.
- These measures will have a considerable impact on local authorities, particularly the Simpler Recycling scheme, which will affect how kerbside recycling services are delivered.

- Timescales were recently confirmed:
 - EPR and DRS elements to be implemented by October 2025;
 - Simpler Recycling scheme for all households by March 2026; and
 - Full recycling for businesses with more than 10 FTE by March 2025 and for micro business 2 years later.
- The Simpler Recycling scheme will require the Council to introduce recycling collections of Dry Mixed Recycling (DMR) and Food Waste to the 5,500 properties that do not yet have the full service by the end of March 2026. The additional costs will have to be assessed as part of service & financial planning for 2025/26 onwards, taking into account the additional funding provided announced by the Department for Environment, Food and Rural Affairs (Defra) on 9 January 2024.
- In summary, Defra has announced grants for the capital transitional costs for the introduction of weekly food waste collections. This capital funding is intended for the purchase of food bins (including internal kitchen caddies, external kerbside caddies and communal bins) and food waste collection vehicles.
- Confirmed funding comprises:
 - a capital grant for transition costs in 2023/24. The grant for this Council is £201,834 of which £102,300 is allocated for vehicles;
 - Further transitional funding from 2024/25 from Defra. These funds will be provided to authorities that have to implement a weekly food waste collection service either partially or fully.
 - Ongoing funds will then be provided from April 2026 to all waste collection authorities, including those that have already fully implemented a food waste collection service.
- Defra is currently calculating transitional and ongoing resource allocations and they are expected to be confirmed in due course for Local Authorities.
- Current recycling budgets are experiencing significant volatility due to rapid pricing changes. At times the Council generates an income from recyclates while during other periods it has to pay to dispose of the same waste. This makes future budget planning challenging.
- Further updates will be provided to Executive as plans for implementing the Strategy are developed and further funding from Defra is confirmed.

(ii) Geopolitical and economic pressures

- World-wide pressures and international crises continue to have a significant impact on the world economy and this impacts on the UK business, including local government. Inflationary fears and interest rate rises have affected most councils and there are still concerns over how long inflation and interest rates will remain at current levels and a recession. These pressures, particularly on the supply side impact on prices of energy and other supplies including oil, which are a key element of local council costs. The current level of CPI inflation as announced on

17 January 2024 increased to 4.0% from the December indicator at 3.9% and inflation this impacts on the cost of council borrowing and overall treasury management. A cost of living crises is affecting the country nationally in all regions.

- The next general election is drawing nearer and the latest date this could be is January 2025, falling within financial year 2024/25. Any resulting policy or funding changes could have a significant impact on local government.

(iii) Energy Prices

- Escalating electricity and gas costs were flagged as a significant issue when setting the budget for 2023/24 and £0.650m growth was included to address the forecast additional cost.
- 12 month contracts were subsequently renewed in March 2023 (gas) and October 2023 (electricity) and the budget has been adjusted to reflect the new lower tariffs and forecast energy prices in 2024/25. Action also continues to be taken to reduce consumption wherever possible. Ongoing work to improve the energy efficiency of our buildings and introduce renewable energy generation will in the longer term provide more resilience to price volatility.
- This has resulted in a reduced budget requirement (saving) of £0.350m as detailed in the 2024/25 service proposals above. However there remains uncertainty due to the volatility of the supply market and the impact of CPI inflation on prices.

(iv) External Audit fees

- The Public Sector Audit Authority (PSAA) published their decision and new fee levels by 30 November 2023 and they are within the budget allocation allowed for 2024/25 which the council had already planned and budgeted for.

(v) Property Rental Income

- Steady progress has continued over the past year to fill several of the Council's longstanding void commercial properties. This has the dual benefit of maintaining rental income levels and also avoiding having to fund the costs of managing empty buildings (energy, rates, insurance, etc). However there will always be periods of time when some units are vacant.

Opportunities

(i) IT Strategy

- The IT Strategy was approved in April 2022 focussing on high priority projects:
 - Improvements in Disaster Recovery;
 - Improvements in Cyber Security;
 - Replacement of the Telephony systems; and

- Customer Relationship Management (CRM) developments.
 - Progress at the time of preparing this report includes:
 - The Disaster Recovery implementation has started with go live expected in December 2023;
 - The new contract for the Cyber Security managed service is in the deployment phase;
 - The Telephony system replacement took place in November 2023;
 - Development of the CRM system continues with over one hundred online processes now available for use by staff and the public; and
 - Planning for the further transition of locally-hosted systems to the Cloud.
 - 2024/25 budget proposals are based on continuation of implementation, utilising the IT reserve that was allocated to fund the Strategy.
- (ii) Environmental Sustainability Strategy
- Embedding awareness of sustainability more consistently across the work of the Council and utilising capital and revenue investment to generate efficiency such as solar panels and use of electric vehicles or changes of fuel use to Hydrotreated vegetable oil (HVO). Since the Service & Financial Planning report to Executive in November further capital growths requests have been approved by Executive for inclusion in the final budget with regard to the purchase of one electric garden waste collection vehicle. The transition of the existing diesel refuse collection vehicle fleet to run on Hydrotreated Vegetable Oil (HVO) was also endorsed at this Executive meeting (with revenue funding to cover the additional costs associated with this already having been included in the draft budget. The growth proposals for these items are included in Annex 2 and 4 of this report.
 - Capturing the need to balance different competing demands upon greenspaces, such as recreation, biodiversity, health, and sustainable practices.
 - New Capital Growth items in Annex 4 which are funded by Community Infrastructure (CIL) or borrowing and are being specifically introduced for environmental and sustainability consideration over the next five years.
 - By ensuring a stronger focus on providing environmentally sustainable behaviours within the borough as a whole including businesses and for residents.
- (iii) Investment in Procurement Service Capacity
- Over recent years the Council has been increasingly reliant on external and interim support to manage procurement of the goods and services that support service delivery. This has ensured that contract-letting activity has continued but has also resulted in a lack of in-house skills and knowledge in this area.
 - A short-term focus on meeting contract-letting deadlines has also tended to restrict opportunities to take a strategic oversight of future planned procurements and seek opportunities to secure cost savings and/or quality improvements.

- It is therefore important that the Council rebuilds in-house capacity to manage and deliver procurement activities to ensure the Council secures value for money.
- A business case for investment in the service is being developed and will be presented for consideration as part of future budget proposals.

(iv) Tenancy and Property Rental Income

- Wheatley Court: After taking account of annual rental income of up to £0.326m per annum, a property maintenance sinking fund will be established of circa 8% along with an allowance for service charges, management fees and property operating costs. Budgets for the property will be based on a housing income (from the tenant rent debit) and expenditure basis model to ensure that the residual income from tenancies is allocated to support housing service delivery.
- Income from the commercial units at Wheatley Court, when let, will continue to support the budget in general.
- The Rise: £0.720m income is forecast from confirmed lettings for 2024/25; this has been factored into the budget proposals in this report.

(v) Leisure Contract Renewal

- A two-year extension with the current provider has been agreed with effect from 1 April 2024. The extension is as per the previous contract's terms, with a management fee paid to the Council subject to an annual inflationary uplift.

38. In the Service & Financial Planning report to Executive in November 2023, total net savings and growth for Service budgets was reported at (£1.316) million and net savings and growth for Central budgets, excluding the £1.750 million growth for the pay award, was reported at (£0.376) million. A grand total of (£1.692) million of net savings and growth overall.
39. Since November further net growth for Service budgets has been identified of £0.134 million and net savings for Central budgets has been identified of (£0.055) million. A grand total of £0.079 million of net growth, which is detailed Annex 2.
40. Therefore in total, the Service and Central budget proposals for growth and savings have reduced to (£1.613) million at January which compares to the (£1.692) million reported to Executive in November 2023.

Table 3.1: SERVICE AND CENTRAL BUDGET PROPOSALS (November and January combined)		2024/25	
		FTE	£m
Budget Movements:			
November report and this report			
Annex 2 Annex 3	Services – Pay (excluding pay award provision)	5.0	0.172
	Services – Non-Pay	-	(1.785)
NET BUDGET GROWTH / (SAVINGS)		5.0	(1.613)

NOTE 1: The above proposals are detailed in Annex 3 of the November Budget report and Annex 2 of this report.

41. Growth to address Service budget issues, risks and opportunities comprises:

Table 3.2: FORECAST SERVICE BUDGET ISSUES, RISKS & OPPORTUNITIES		2024/25	
		FTE	£m
November Report Annex			
3.4	Budget Risks – Government Funding Reductions	-	0.694
3.5	Budget Opportunities – IT Strategy Implementation	-	0.304
BUDGET GROWTH FOR FORECAST ISSUES, RISKS & OPPORTUNITIES		-	0.998

Note 1 – these amounts will be financed by a call on Reserves and are dependent upon in-year demand and therefore may not be fully utilised during 2024/25.

Central Budget Proposals 2024/25

42. Central budgets are summarised in the table below. They comprise those budget items that are corporate in nature and are not associated with delivery of specific services.
43. Since the Service & Financial Planning report to Executive on 16 November, there have been two changes to Central revenue budget growth proposals identified, firstly a movement of (£0.270) million, being a reduction in the forecasts risks relating to housing benefit subsidy shortfalls compared to that originally proposed to Executive on 16 November 2023. The revised net growth is therefore £0.694 million, as set out in the table below. Secondly there has been an increase in Treasury Management savings of (£0.055) million which reflects the final interest and investment income forecasts.
44. Overall there is a net budget increase compared to 2023/24 as detailed in the table below which highlights the variations between financial years. The main reason for the increase is the Pay increase provision required of £1.750 million.

Table 4: CENTRAL BUDGETS	Approved Budget 2023/24 £m	Proposed Budget 2024/25 £m	Net Budget Increase / (Decrease) £m
Insurance	0.467	0.516	0.049
Treasury Management ³	(0.087)	(0.342)	(0.255)
Housing Benefits – net cost	(0.714)	(0.020)	0.694
Unused Historic Budget for Pay	0.243	-	(0.243)
Pay increase 2024/25 ²	-	1.750	1.750
Employer Pension Costs ¹	2.240	2.240	-
Central Vacancy Turnover Provision	(0.150)	(0.150)	-
Apprenticeship Levy	0.080	0.080	-

Table 4: CENTRAL BUDGETS	Approved Budget 2023/24 £m	Proposed Budget 2024/25 £m	Net Budget Increase / (Decrease) £m
Central Recruitment & Visa Expenses	0.045	0.045	-
Central Training Budget	0.082	0.082	-
External Audit Fees	0.150	0.159	0.009
Internal Audit Fees	0.065	0.071	0.006
Preceptor Grants – Horley Town Council Double Taxation	0.044	0.047	0.003
Funding Contribution – Banstead Commons Conservators	0.111	0.111	-
TOTAL	2.576	4.589	2.013

NOTES:

1. Annual employer deficit contribution and compensated added years payments.
2. The budget for 2023/24 pay increases has been previously allocated to service budgets.
3. The Treasury Management Budget has been re-aligned for final movements in capital financing requirements.

Central Budget Risks

45. The most significant risk for Central Budgets is the continued Housing Benefit Subsidy pressures:
- Up to £0.694 million of budget growth may be required in 2024/25 to fund the forecast shortfall in housing benefit subsidy and grants from Government (Department for Work and Pensions - DWP). This is a worst case scenario estimate and has been reduced from the figure of £0.964m previously reported to Executive on 16 November 2023 due to more up to date information being available regarding potential demand;
 - There are several factors, including the loss of government funding, that can impact upon housing benefit. The most significant national concerns affecting all councils are the cost of supported housing payments and discretionary housing payments. In many of these cases councils are required to fund some of the costs from their own resources as the level of DWP subsidy does not equal the costs of benefits paid, due to the level of costs included in claims by landlords and housing providers along with the difference between benefits and Local Housing Allowance (LHA) rates; and
 - This budget forecast is included on a contingency basis; zero, part or all of it may be required in 2024/25, depending on housing need and the level of subsidy received from government.
46. Other key reasons why housing benefit subsidy is forecast to be lower than the costs incurred include:
- The continued transition of claims to Universal Credit leaving this authority to manage those claims where a subsidy shortfall is likely;
 - Cost to the council of recovering housing benefit overpayments; and

- The increased cost of Discretionary Housing Payments, providing support to some residents with their rent where they also receive housing benefit or the housing element of Universal Credit. The DWP provides some funding to local authorities for this but it is not always sufficient to meet demand. Local authorities are able to make payments above DWP funding, but the additional cost has to be met from the Council's budget. This Council's funding for 2023/24 was just £0.188m and this remains a risk.

47. Other proposed changes in Central Budgets in 2024/25 were set out in the November Service & Financial Planning report; the final updates are detailed below:

Table 5: CENTRAL BUDGETS	Outcome of Review
Insurance	The final budget forecast is expected to be confirmed in mid-February 2023; an inflationary increase has been assumed based on current CPI levels.
Treasury Management	<p>This Budget has been reviewed in detail to ensure that it reflects:</p> <ul style="list-style-type: none"> • Forecast interest on balances. Interest rates have risen to over 5.25% following the recent Bank of England decision to increase the base rate however the range of institutions that are available to place investments remains limited (in line with the Treasury Management Strategy) to ensure security of funds. The forecast also reflects the continued use of cash balances wherever possible for short-term funding of the capital programme instead of taking out external loans. • Forecast borrowing costs (interest and Minimum Revenue Provision for loan repayment) in line with the proposed Capital Programme (including capital growth any re-profiling of existing capital schemes) and Treasury Management Investment Strategy. The forecast reflects planned spend profiles and the continued use of cash balances for short-term funding of the capital programme instead of taking out external loans. It also reflects application of the MRP Policy in the Treasury Management Strategy. The impacts of the Government's proposed changes to MRP regulations (announced in December 2021) are still subject to final consultation that was issued in December 2023; the outcome will not be known until later in 2024. • Forecast interest receipts relating to loans to the Council's companies. These sums are subject to a credit risk assessment when preparing the Council's annual accounts and provision is made for impairment (where appropriate) to reflect the outcome. • Current capital expenditure plans at January 2024; the budget implications of any new schemes or reductions in planned capital spends will be considered when considering overall capital financing levels. • Investment in any new capital projects to support, for example, delivery of the Commercial Strategy and Housing Delivery Strategy will be assessed when individual business cases are submitted for approval. • As a result of the factors explained above, a reduction in forecast treasury management costs of (£0.342) million is forecast for 2024/25.

Table 5: CENTRAL BUDGETS	Outcome of Review
Housing Benefits	These sums and resulting budget pressures of £0.694m have been explained in detail above.
Budget for Pay Increases	Capacity of £1.75 million has been included in the budget for forecast contractual pay increases and the annual cost of living of living for 2024/25. This budget is held centrally and, now that the pay award has been confirmed with union representatives, will be allocated to services ready for the start of the new financial year.
Pensions	<p>The budget includes funding for the employer secondary contribution of £2.240 million that is due in April 2024 following the last triennial Pension Fund revaluation in 2023. The secondary contribution covers historic deficit payments and compensated added years costs.</p> <p>This Council's element of the Pension Fund was 94% funded at the last revaluation and has sufficient assets to meet fund accrued benefits over the medium term.</p>
Central Vacancy Turnover Provision	Retention of a central vacancy turnover provision in recognition that (based on previous experience) there is likely to be a number of vacant posts during the year due to staff turnover generates a reduction in budget of – (£0.150) for 2024/25.
Apprenticeship Levy, Central Recruitment and Visa Costs, Central Training Costs	No changes are proposed.
External and Internal Audit Fees	Forecast inflationary increases are factored in for both, the recent change in Public Sector Audit Appointments (PSAA) fees have also been adjusted for. The latest PSAA fees increase levels following consultation are within the budget above.
Horley Town Council Double Taxation	Central budgets include £0.047 million funding for a preceptor grant to Horley Town Council. This is to fund a new 10-year agreement (2024/25 to 2033/34) to eliminate 'double taxation' whereby Horley residents pay direct to the Town Council for the local services that it provides.

Table 5: CENTRAL BUDGETS	Outcome of Review
Banstead Commons Conservators	This funding will continue to assist the Conservators in delivery of current operations and the funding will be annual for the three year period from 2024/25 through to 2026/27.

Revenue Budget Funding 2024/25

48. The sources of funding for the revenue budget are set out in the table below.

Table 6: REVENUE BUDGET FUNDING¹	Approved Budget 2023/24 £m	Proposed Budget 2024/25 £m	Net Budget Increase / (Decrease) £m
Council Tax	16.293	16.675	0.382
National Non-Domestic Rates	3.994	3.344	(0.650)
Other Un-ringfenced Grants:			
• Services Grant	0.096	0.017	(0.079)
• New Homes Bonus Grant	1.034	0.806	(0.228)
• Minimum Funding Guarantee Grant	0.803	1.536	0.733
Transfers to Reserves – Following the Final Settlement:			
• Community Partnerships Reserve	-	(0.104)	(0.104)
• Environmental Sustainability Reserve	-	(0.105)	(0.105)
Call on Earmarked Reserves:			
• Government Funding Risks Reserve	0.484	0.694	0.210
• IT Strategy Reserve	0.493	0.304	(0.189)
Use of funds from the General Fund Balance to support the Revenue Budget	-	-	-
TOTAL	23.194	23.167	(0.027)

NOTE: Table updated to include additional Reserve transfers following the Final Local Government Settlement in February 2024.

49. Work is now complete to update the Funding forecasts that have been taken into account when arriving at the final budget proposals for 2024/25. Factors taken into account include:

Council Tax

- The 2024/25 increase is based on a 2.99% Band D equivalent increase and the forecast tax base (as detailed below). This is in line with the referendum limit announced that was by the Government in December 2023. This also includes the council's share of the historic Collection Fund surplus for the Council Tax element.

Business Rates (NNDR)	<ul style="list-style-type: none"> • Includes continued funding for the tariff payment (with no reduction for negative RSG) as confirmed in the December Provisional Settlement. Also includes the Council's share of the historic Collection Fund surplus for the business rates element.
New Homes Bonus Grant	<ul style="list-style-type: none"> • Includes updated allocations for New Homes Bonus based on the December 2023 Provisional Local Government Settlement announcement.
Other Grants	<ul style="list-style-type: none"> • The December Provisional Settlement included a number of grant changes that have been reflected in the updated budget proposals. <ul style="list-style-type: none"> ○ Reduction of the Services Grant ○ A continued Minimum Funding Guarantee Grant to ensure that all lower tier councils see a 3% increase in their Core Spending Power before Council Tax increases.
Contributions (To)/From Reserves	<ul style="list-style-type: none"> • There is no requirement for a contribution from the General Fund Balance as there is no forecast Revenue Budget gap in 2024/25. • As reported to Executive in February 2024 – the Council faces budget pressures and risk of which some may have required funding from reserves. The December Provisional Settlement announcement has however provided confirmation a balanced budget can be set without calling on Reserves. • There remains a call on: <ul style="list-style-type: none"> ○ the IT Strategy Reserve (£0.304m) to fund delivery of the approved Strategy; and ○ the Government Funding Risks Reserve (£0.694m) as a maximum where necessary, to fund the forecast reduction in Housing Benefit subsidy.

COUNCIL TAX 2024/25 AND LOCAL COUNCIL TAX SUPPORT SCHEME 2024/25

50. In setting the Council Tax Requirement for 2024/25 the Council must give consideration to the three elements that make up the overall requirement:
- the precept amount;
 - the Taxbase; and
 - the outcome of the previous year's cash collection.
51. The Government sets a cap each year which has the effect of limiting the annual increase to the tax base before a referendum is required. This was confirmed with the Provisional Local Government Settlement as being the higher of 2.99% or £5.00 for District and Shire Councils.
52. The Council is also required to agree a Local Tax Support Scheme annually and a revised scheme for 2024/25 is outlined in the section of the report. This follows its presentation and recommendation approval at Executive Committee on 16 November 2023.
- Council Tax – Taxbase
53. When considering the taxbase the Council has no authority over the banding of new builds, that is decided by the Valuation Office Agency, but as the planning authority it

is responsible for ensuring an adequate supply of housing to meet the needs of the local population and is therefore in a position to approve and promote applications to build new homes.

54. The Taxbase increase was agreed by Council on 30 November 2023 is unchanged and the recommendation is to adopt an increase in the council tax base from 63,495 to 64,252 properties representing a taxbase increase of 757 (1.19%) compared to 2023/24.

Council Precept

55. The recommendation is to set an annual precept increase for Reigate & Banstead Borough Council for 2024/25 of 2.99% taking the Council precept to £257.18 for a Band D property. This represents an increase of £7.47 compared to 2023/24.
56. This increase will yield an additional £0.669 million in income, comprising an increase of £0.195 million from the increase in the tax base and £0.474 million from the 2.99% Band D increase.

Collection Fund Outturn

57. Another factor that has to be taken into account when forecasting council tax income for 2024/25 is the cash surplus or deficit that is brought forward on the Collection Fund from previous years. This is the difference between the actual amount of cash collected compared to the target collection rate that was forecast for that year during budget setting.
58. It is anticipated that at the end of 2023/24 the collection fund (for Council Tax and not Business Rates) will have a net surplus of £1.307 million. This will be shared by the preceptors in line with their share of the precept, which means that Reigate and Banstead will have a surplus of an estimated £0.151 million.
59. Historically, the authority has had a very strong performance record, consistently recovering 99.7% (0.3% shortfall) of income due. Recovery performance was impacted during the original COVID-19 pandemic years, however the forecast since 2023/24 has been restored to pre-pandemic levels to reflect the forecast recovery position and this has given rise to a Collection Fund surplus for 2024/25 which has been taken into account when setting the budget for 2024/25 as the table below identifies.

Council Tax Requirement 2024/25

60. Based on the above recommendations the Council Tax Requirement for 2024/25, (compared with 2023/24) is set out below.

Table 7: COUNCIL TAX REQUIREMENT	2023/24	2024/25	Movement	Impact On Yield
Taxbase Band D Equivalents Forecast at October	67,019.80	67,590.90	571.10	Positive : Increase
Forecast Growth in New Homes	205.67	287.90	82.23	Positive - Increase
	0.31%	0.43%	0.12%	
Allowance for Non-Collection in 2023/24	(188.23)	(180.40)	7.83	Positive : Increase
	(0.28%)	(0.27%)	0.01%	
	(3,541.92)	(3,446.10)	95.82	Positive : Decrease

Table 7: COUNCIL TAX REQUIREMENT	2023/24	2024/25	Movement	Impact On Yield
Reduction in Band D equivalents due to increased demand for the Local Concessionary Support Scheme	(5.28%)	(5.10%)	0.18%	
Forecast Average Band D Taxbase	63,495.32	64,252.30	756.98	Positive : Increase
Council Tax Band D	£249.71	£257.18	£7.47	
Council Tax Requirement	£15,855,416	£16,524,407	£668,991	
Forecast share of Collection Surplus/ (deficit) brought forward	£437,838	£150,695	(287,143)	
Net Council Tax Income for this Council	£16,293,254	£16,675,102	£381,848	

Precepting Authorities

61. Details of the proposed council tax precepts for Surrey are set out in a separate report on this agenda. In summary the proposals are as follows:

Table 8.1: ANALYSIS OF DRAFT COUNCIL TAX BY PRECEPTOR ³		
	DEMAND	% share
	£	%
Surrey County Council ¹	112,994,095	74.85%
Surrey Police & Crime Commissioner ¹	20,790,117	13.77%
Reigate & Banstead Borough Council	16,524,407	10.95%
Horley Town Council	604,096	0.40%
Salfords & Sidlow Parish Council	46,664	0.03%
	150,959,379	100.00%

Table 8.2: ANALYSIS OF DRAFT COUNCIL TAX CHANGES BY PRECEPTOR				
Authority	2023/24	2024/25	Increase	
			£	%
Surrey County Council	1,675.08	1,758.60	83.52	4.99
Surrey Police & Crime Commissioner	310.57	323.57	13.00	4.19
Reigate & Banstead Borough Council	249.71	257.18	7.47	2.99
Horley Town Council	47.76	54.00	6.24	13.07
Salfords & Sidlow Parish Council	29.72	32.10	2.38	8.01
	2,312.84	2,425.45	112.61	4.64%

NOTES

1. Subject to confirmation by Surrey County Council on 6 February and the PCC on 2 February 2024

2. Table updated following confirmation of the Surrey County Council precept on 6 February 2024 (previously forecast to be 3.99%).

62. Based on the Council Tax base of 64,252.30 (set out above), each 1% increase in Council Tax generates £0.160 million additional income for this borough. A 2.99% increase in 2024/25 will yield additional income as highlighted in the table below.
63. For MTFP modelling purposes, based on a 2.99% increase in the taxbase, the Council Tax income forecast at January 2024 is set out below:

Table 9: COUNCIL TAX FORECAST	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m	£m
Forecast Resources	15.855	16.524	17.228	17.921	18.641	19.390
Annual Increase in Income (including base growth)	0.756	0.669	0.704	0.693	0.721	0.749
And Cumulative Increase in Income	0.756	1.425	2.129	2.821	3.542	4.291
Band D (increased at 2.99%)	£249.71	£257.18	£264.87	£272.79	£280.95	£289.35
Band D Increase	£7.25	£7.47	£7.69	£7.92	£8.16	£8.40
Taxbase Increase	1.96%	1.19%	1.23%	1.00%	1.00%	1.00%
Annual Band D % Increase	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%

64. Although council tax is a significant source of funding for local government, it remains subject to restrictions by Government. The Localism Act included a requirement to hold a local referendum if any council tax increase is deemed 'excessive'; a limit for increases is set each year by the Government.

65. The forecast amount of council tax to be collected takes into account local decisions on discounts, exemptions and reliefs and Local Council Tax Support scheme claim numbers.

Council Tax Policy and Local Council Tax Support Scheme

66. Under the Local Council Tax Support Scheme this Council, as the billing authority, awards council tax reductions to eligible working-age claimants. The cost of lost council tax income falls on the Collection Fund as a consequence of these claims resulting in a reduction in the council tax base which is calculated as part of budget-setting.

67. The precepting authorities collectively fund the cost of Local Council Tax Support Scheme claims as the costs fall on the Collection Fund and are distributed between authorities in line with their share of the council tax bill.

68. In addition, the full administration costs of processing awards, and of any discretionary awards, are met directly by this Council as the billing authority. Caution therefore has to be exercised when amending the Scheme to ensure that the cost to this Council of administering changes does not exceed any reduction in the cost of the Scheme overall.

69. There are several factors that make the annual cost of funding Council Tax Support very difficult to predict:

- Council tax increases by precepting authorities will increase overall Scheme costs;
- There was an increased number of claims during the COVID-19 pandemic. The number of claims has been steadily decreasing since then, and has reduced by 11% since April 2022, and is now back at pre-pandemic levels;
- The scheme has on average 3,300 claims. Of these 59% are classed as vulnerable, through receiving related disability benefits and premiums. This group can receive support covering up to 100% of their Council Tax liability; 41% are either from employed households or those receiving other benefits.

These groups can only receive support covering up to 90% of their Council Tax liability.

70. The Local Scheme applies to working age households; pensioner claims are assessed and funded through a national scheme. It covers claims from three main categories of claimants:

Table 10: LOCAL COUNCIL TAX SUPPORT SCHEME (January 2024) Category	Number of Claims		Annual Cost £m	
	2022	2023	2022	2023
Vulnerable	1,875	1,951	2.923	3.201
Working Age – employed	601	374	0.552	0.349]
Working Age – not employed	1,178	949	1.512	1.196
Annual Cost to Preceptors			4.987	4.746

71. The Vulnerable group is mainly made up of households with a disability benefit in payment. The two Working Age groups have to pay at least 10% of their Council Tax, and there are several other restrictions in place, including a cap to Band E and no awards below £5 per week.
72. Historically, the December 2022 Settlement Announcement also included funding for additional Council Tax Support in 2023/24, representing up to an extra £25 in support for working age and pensioner households for cost of living pressures.
73. The Scheme was scheduled for review during 2023/24. Any changes proposed are subject to consultation and would need to take into account the impacts on recovery performance if support is reduced.
74. There have been no major changes to the Scheme since its introduction in 2013, other than to increase support in line with other national benefits. After seeking Member and Officer views during 2023/24 on potential scheme designs, the law requires consultation with taxpayers and preceptors as well as advice groups and other stakeholder before any final decisions are made on changes.
75. Options for change would be to :
- Reduce the level of support to households, which would have negative impacts on household finances;
 - Increase the level of support, by allowing all households receiving support to qualify for up to 100% of their Council Tax liability to be covered; or
 - Maintaining the scheme as it is.
76. After considering the options and taking into consideration the cost-of-living pressures on households, the planned approach is to increase levels of support for 2024/25.
77. Before considering the proposed increases for the Council Tax Support Scheme, it should be noted that all Council Tax support awards are strictly means tested before approval and for claimants and this is dependent upon a number of conditions. The key criteria for these conditions are:
- Claimant's circumstances (for example income, number of children, benefits and residency status);

- Overall household income available (including savings, pensions and a partner's income) and
 - How many children or other adults live with the resident of the Borough.
78. The following increases are recommended for the revised Council Tax Support Scheme; that the maximum 90% support for households is increased to 100%, and other restrictions are removed. These other restrictions include removing the minimum limit of support of £5 per week, lifting the Band restriction of Band E and above and increasing capital limits to match those within the vulnerable scheme.
79. The implementation of these changes would increase the level of LCTS by approximately £0.250 million.
80. The costs of this increase will be offset by removing the 28-day discount to homes that are empty and unfurnished.
81. A full breakdown with further explanation is provided at Annex 8.

Council Tax Policy

82. Changes to council tax charges on empty homes were approved during 2019/20 and further updated in 2020/21:
- Homes that have been empty and substantially unfurnished for more than two years and less than five years are charged a Council Tax long term empty premium equivalent to 100% of the Council Tax in addition to their current Council Tax;
 - Homes that have been empty and substantially unfurnished for more than five years and less than ten years are charged a Council Tax long term empty premium equivalent to 200% of the Council Tax; and
 - Homes that have been empty and substantially unfurnished for ten years and more are charged a Council Tax long term empty premium equivalent to 300% of the Council Tax.
83. As these changes help deliver a county-wide initiative to reduce the number of empty properties throughout Surrey, the County Council has agreed to reallocate its share of the increased funding that results from changes in Empty Homes policies. Under this commitment the Boroughs and Districts receive reallocated funding where agreed conditions are met.
84. No new changes to council tax policy were introduced in 2023/24 but as part of budget-setting for 2024/25 onwards consideration has been given to new opportunities to levy additional council tax premiums to encourage owners to bring properties back into use:
- Empty and unfurnished properties - removal of the 28-day council tax discount. This will mainly affect landlords and housing providers, in relation to the turnaround time between tenants. The level of this discount in 2022/23 was £0.521m, and in the first two quarters in 2023/24 is £0.262m.
 - Empty and furnished second homes – charge 200% council tax after the first 12 months - this is part of the Levelling-up and Regeneration Bill which received Royal Assent on 26 October 2023 and therefore is now an Act of Parliament and the changes will be enacted for 2024/25; and
 - Long-term empty properties – commence charging the 100% premium after 12 months - instead of the current 24 months – again this is also part of the

Levelling-up and Regeneration Bill and now an Act of Parliament and therefore the changes will also be enacted in 2024/25.

- Any changes above will be consulted upon with relevant stakeholders including Raven Housing Association.

85. It is proposed that these changes will be introduced for 2024/25 as it is now lawful.
86. The changes will offset the costs of increasing Local Council Tax Support to low-income households.
87. Local Council Tax Support Scheme allowances and premiums will be increased on 1 April in line with other national increases contained within the Housing Benefit Regulations 2006 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2022; the Scheme is also scheduled for review during 2023/24.

RETAINED BUSINESS RATES (NNDR)

88. The Council collects Business Rates ('National Non-Domestic Rates' or 'NNDR') on an agency basis for Government. Of the total NNDR collectable, this Council retains 40% of the benefits with 10% paid to the County and 50% to the Government.
89. For 2024/25 the Council's NNDR Baseline income (before adjustments) will be £2.590 million out of a total estimated income of £56.884 million.
90. The key factors that determine this income stream are outside this Council's control:
 - The NNDR 'multiplier' (pence in the pound of rateable value) which is set by Government; and
 - The rateable value of a property which is set by the Valuation Office Agency.
91. Therefore the only decision to be taken by this Council each year is in terms of determining a forecast for income during the year, being:
 - The estimate of projected growth / decline in the NNDR Baseline as a result of business failure, property conversions or new builds.
92. The local government funding regime then requires a number of adjustments to arrive at the actual sum to be retained. The Provisional Settlement in December confirmed that this Council's Tariff (the additional sum retained by Government) means that of the £22.754 million Baseline sum this Council must return an additional £21.884 million to the Government and retain just £0.870 million.
93. There are then three further adjustments for Section 31 grants, multiplier gap adjustments and levy payments which collectively add a further £1.473 million to the NNDR contribution to the Council funds in the year 2024/25. The section 31 grants help offset the loss of income due to the continuation of reliefs announced by Government.
94. The next adjustment relates to 'Negative Revenue Support Grant (RSG)' whereby the Government has previously announced its intention to recoup a notional 'over-funding' of authorities like Reigate & Banstead. In the December 2022 Settlement Announcement the Government indicated once more that Negative RSG has 'been addressed' through its inclusion in the overall local government funding baseline. If correct this authority will avoid the previously predicted reduction in NNDR in future years. For now the MTFP assumption is that Negative RSG may yet have an impact but not until at least 2025/26.

95. The final adjustment relates to this Council's share of historic Collection Fund surpluses or deficits; representing £0.754 million additional funding for 2024/25

Summary Forecast

96. In summary this means that the total contribution from NNDR to this Council in 2024/25 will be £3.344 million

Table 11: NNDR ANALYSIS	2023/24	2024/25
	£m	£m
Gross NNDR Income	52.162	54.175
<u>Plus</u> Forecast Growth	2.013	2.709
Gross NNDR Income	54.175	56.884
<u>Less</u> Government share (50%)	(27.088)	(28.442)
<u>Less</u> Surrey County Council share (10%)	(5.418)	(5.688)
Forecast Gross NNDR Income - Reigate & Banstead share (40%)	21.669	22.754
<u>Less</u> Tariff due to Government	(20.255)	(21.884)
Forecast Net NNDR Income - Reigate & Banstead after Tariff	1.414	0.870
<u>Plus</u> Section 31 Grant for Reliefs	1.000	1.473
<u>Plus</u> Multiplier gap/Inflation adjustment	-	0.575
<u>Plus</u> Levy Payment/Receipts from Government	0.064	(0.328)
Forecast NNDR Income - Reigate & Banstead	2.478	2.590
Forecast Net Share of previous years' Surplus / (Deficit)	(1.516)	0.754
Forecast NNDR Income - Reigate & Banstead	3.994	3.344

97. The 2024/25 budget is therefore based on a total of £3.344 million income from NNDR, a reduction of £0.650 million as compared to 2023/24. These forecasts will be subject to in-year monitoring as more up to date information is received.

USE OF RESERVES

98. As set out above, there is no requirement to draw on the General Fund Balance to support Revenue Budget in 2024/25.
99. Forecast balances on Revenue Reserves at 1 April 2024 are summarised below and detailed at Annex 3.

Table 12: RESERVES SUMMARY	Forecast Balance ¹ at 1 April 2024 £m
General Fund Balance	3.500
Other Earmarked Reserves ²	27.122
TOTAL²	30.622

NOTES

1. Forecast balances after decisions made during year end for 2023/24 and budget setting 2024/25 – excludes balances on historic COVID-19 Reserves and addition of the 2024/25 Homelessness Prevention Grant of £0.695 million.

2. Table updated following the Final Local Government Settlement Announcement on 5 February 2024 to include additional transfers to reserves of £0.105m to the Environmental Sustainability Reserve and £0.104m to the new Community Partnerships Reserve.

100. The Policy on the use of Reserves was approved by Executive on 16 November 2023.

101. The Council holds Reserves to provide protection against financial risks. The current level of reserves provides a relatively secure financial base compared to many authorities; it is important to ensure an appropriate balance between securing the financial position of the Council and investing in delivery of services.

102. Reserves can be held for four reasons:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies.
- A means of building up funds to meet known or predicted liabilities.
- A means of setting aside sums for future identified uses and / or investments.

103. There is an opportunity cost of holding reserves in terms of restricting capacity to invest in current service delivery but this is offset by the additional flexibility that reserves provide when manage budget risks and adverse variations.

104. The legal requirement for the Council to agree a balanced budget means that Council may be required to draw on its reserves to address any shortfall between forecast expenditure and forecast income.

105. The Council has set a minimum level of unallocated General Fund reserves of 15% of the net revenue budget (£23.264 million for 2024/25), which equates, when rounded, to £3.500 million The forecast unallocated balance on the General Fund at 31 March 2024 is consistent with this limit.

106. The 2024/25 revenue Budget was balanced before receipt of £0.209 million additional grant funding in the Final Settlement. It is therefore recommended that the additional funding is transferred to earmarked Revenue Reserves:

- £0.105m to the Environmental Sustainability Reserve; and
- £0.104m to a new Community Partnerships Reserve. The purpose of this new Reserve is to fund partnership-based activities that support resident and community wellbeing.

FORECAST BUDGET GAP AT JANUARY 2024

107. The forecast budget gap over the next five years is set out below. Further details are provided at Annex 1 (Appendix 2).

Table 13: MEDIUM TERM REVENUE BUDGET FORECAST	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29
	£m	£m	£m	£m	£m	£m
FORECAST GAP	Balanced	Balanced	2.253	3.849	5.357	5.586
Annual Increase in Gap	-	Balanced	2.253	1.596	1.508	0.229

Table 13: MEDIUM TERM REVENUE BUDGET FORECAST	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29
	£m	£m	£m	£m	£m	£m
Gap as % of 2024/25 budget requirement	-	n/a	10.07%	16.47%	22.93%	23.91%

108. Medium term forecasts are based on a cautious estimate of future costs and income streams. They will be updated and reported to Executive in July 2024 in preparation for 2025/26 service & financial planning.

CAPITAL PROGRAMME

Capital Investment Strategy and Capital Programme

109. The latest Capital Investment Strategy was approved by Executive in July 2023 and sets out how the Council plans to invest in assets to generate income.

2024/25 to 2028/29 Approved Capital Programme

110. The Capital Programme that was approved in January 2023 and the unspent balance on previously-approved schemes is summarised below:

Table 14: CAPITAL PROGRAMME 2022/23 to 2027/28 by SERVICE	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL £m
	BFWD £m	Budget £m	Projected £m	Projected £m	Projected £m	Projected £m	
ORGANISATION SERVICES:							
Property Services	6.383	1.420	1.307	0.909	1.597	0.089	11.705
IT Services	-	0.260	0.250	0.200	0.200	0.500	1.410
Organisational Development	-	0.250	0.250	-	-	-	0.500
Environmental Strategy	0.236	-	-	-	-	-	0.236
PEOPLE SERVICES:							
Housing	7.444	1.412	1.419	1.419	1.419	1.419	14.532
Leisure & Culture	0.064	0.100	0.100	0.100	0.100	0.100	0.564
Community Partnerships	0.108	-	-	-	-	-	0.108
PLACE SERVICES:							
Neighbourhood Operations	1.659	0.897	0.996	1.177	0.902	3.853	9.484
Place Delivery	8.222	-	-	-	-	-	8.222
Economic Prosperity	-	-	-	-	-	-	-
TOTAL APPROVED CAPITAL PROGRAMME	24.116	4.339	4.322	3.805	4.218	5.961	46.761

Capital Programme Growth 2024/25 onwards

111. Capital Programme growth proposals totalling £3.175 million for 2024/25 to 2028/29 were set out in the Service & Financial Planning report to Executive on 16 November 2023.

Table 15: CAPITAL PROGRAMME GROWTH 2024/25 to 2028/29	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL £m
	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
Organisation	0.829	0.162	0.876	0.117	-	1.984
People	0.101	0.012	0.012	0.012	-	0.137
Place	0.804	0.250	-	-	-	1.054
TOTAL	1.734	0.424	0.888	0.129	-	3.175

112. The reasons for this growth were detailed in the Service & Financial Planning report.

Additional Capital Programme Growth 2024/25 onwards

113. Following the November report, additional Capital Programme growth proposals totalling £4.540 million have been identified for 2024/25 to 2028/29; these are included in the table below.

Table 16: CAPITAL PROGRAMME GROWTH 2024/25 to 2028/29	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL £m
	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
Organisation	(0.205)	(0.141)	(0.350)	-	-	(0.696)
People	-	-	-	-	-	-
Place	4.390	(0.150)	0.100	0.100	-	4.440
TOTAL	4.185	(0.291)	(0.250)	0.100		3.744

114. This additional growth represents £4.298 million investment approved by Executive on 14 December 2023 for completion of the Marketfield Way development and £0.242 million for purchase of an electric refuse vehicle. Further details are provided at Annex 4.

115. The table above also includes £0.796 million relating to previously-approved capital schemes where minor historic balances that are no longer required have been deleted or where funds have been re-profiled between years to reflect future spending plans. Further details are provided at Annex 4.

Capital Programme 2024/25 onwards

116. The Capital Programme for 2024/25 onwards, including approved budget growth, is therefore:

Table 17: CAPITAL PROGRAMME 2022/23 to 2028/29 by SERVICE	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL £m
	BFWD £m	Budget £m	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
ORGANISATION SERVICES:								
Property Services	6.383	1.420	1.831	0.930	2.123	0.206	-	12.893
IT Services	-	0.260	0.250	0.200	0.200	0.500	-	1.410
Organisational Development	-	0.250	0.250	-	-	-	-	0.500
Environmental Strategy	0.236	-	0.100	-	-	-	-	0.336
PEOPLE SERVICES:								
Housing	7.444	1.412	1.520	1.431	1.431	1.431	-	14.669

Table 17: CAPITAL PROGRAMME 2022/23 to 2028/29 by SERVICE	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL £m
	BFWD £m	Budget £m	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
Leisure & Culture	0.064	0.100	0.100	0.100	0.100	0.100	-	0.564
Community Partnerships	0.108	-	-	-	-	-	-	0.108
PLACE SERVICES:								
Neighbourhood Operations	1.659	0.897	1.892	1.277	1.002	3.953	-	10.680
Place Delivery	8.222	-	4.298	-	-	-	-	12.520
Economic Prosperity	-	-	-	-	-	-	-	-
TOTAL APPROVED CAPITAL PROGRAMME	24.116	4.339	10,241	3,938	4,856	6,190	-	53.680

117. In addition to the sums included in the approved Capital Programme, the Council has previously committed to invest:

- £64.0 million in Commercial income-generating assets; and
- £30.0 million in Housing projects

Proposals for use of these funds will be subject to approval of reports by Executive or the Commercial Ventures Executive Sub Committee when business cases are developed.

Capital Programme Funding

118. Sources of funding for the 2023/24 Capital Programme are summarised below:

Table 18: CAPITAL PROGRAMME FUNDING 2022/23 to 2028/29	2022/23 BFWD £m	2023/24 Projected £M	2024/25 Projected £M	2025/26 Projected £M	2026/27 Projected £M	2027/28 Projected £M	2028/29 Projected £M	TOTAL
TOTAL CAPITAL EXPENDITURE 2022/23 to 2028/29	24.116	4.339	10.241	3.938	4.856	6.190	-	53.680
FUNDED BY:								
Capital Reserves	0.989	-	-	-	-	-	-	0.989
Capital Receipts	5.157	-	-	-	-	-	-	5.157
Capital Grants & Contributions	9.370	1.613	2.600	1.520	1.700	1.637	-	18.440
Prudential Borrowing	8.600	2.726	7.641	2.418	3.156	4.553	-	29.094
TOTAL CAPITAL FUNDING 2022/23 to 2028/29	24.116	4.339	10.241	3.938	4.856	6.190	-	53.680

Note 1. Prudential Borrowing represents forecast internal borrowing (from the Council's cash-backed resources) and plus external borrowing from the Public Works Loan Board or other sources that the Council utilises, in accordance with the approved Treasury Management Strategy.

119. The sources of funding for the Capital Programme are explained below:

Table 19: CAPITAL PROGRAMME FUNDING	
Capital Reserves	<ul style="list-style-type: none"> Previously the Council benefitted from access to significant capital Reserves following the sale of its housing stock. Over recent years these Reserves have been utilised to invest in the capital programme. The remaining balance remains as nil.
Capital Receipts	<ul style="list-style-type: none"> Sale of capital assets results in a capital receipt that can be used to invest in new capital assets or to repay prudential borrowing. The main source of capital receipts over the duration of this Capital programme relate to delivery of major schemes including the Marketfield Way (The Rise) redevelopment. These capital receipts have been factored into forecast funding requirements. Flexible use of capital receipts – there are no current plans for use of this funding option.
Capital Grants & Contributions	<ul style="list-style-type: none"> Forecasts of the future grant funding allocation for Disabled Facilities works have been updated to reflect forecast allocations. They also include the Council's share of Section 106 and CIL funding. Revenue funding equivalent to the historic New Homes Bonus (NHB) grant allocation up to 2020/21 was allocated to support implementation of the Housing Delivery Strategy. New NHB allocations are included as funding for the 2024/25 Budget as reported within this report.
Prudential Borrowing	<ul style="list-style-type: none"> The primary source of long-term funding for the Capital Programme is now prudential borrowing, primarily from the Public Works Loans Board (PWLB). Loans are managed through the approved Treasury Management Strategy and policies. Interest on borrowing is paid to the PWLB and charged to the annual revenue budget along with the Minimum Revenue Provision that is necessary to set aside funds for eventual repayment of the loan principal. These costs have to be taken into account when setting a balanced Revenue Budget. There are increasing restrictions on the type of capital expenditure that is eligible for prudential borrowing. Borrowing to fund investment solely for commercial gain is no longer permitted.
Revenue Budget Contributions	<ul style="list-style-type: none"> There is no expectation that significant capital expenditure will be funded from the revenue budget in 2024/25.

Capital Programme – Revenue Budget Implications

120. As explained above, with the exception of earmarked Section 106 funds and some earmarked Housing capital receipts, the Council no longer has significant capital Reserves, therefore, while a small number of schemes will be continued to be funded from capital grants and other contributions, the majority of the approved Capital Programme must be funded through prudential borrowing (from either internal borrowing or external borrowing sources). The costs of repaying this borrowing fall on the revenue budget as treasury management costs in Central budgets.
121. Treasury management budgets have been updated to reflect the costs of borrowing for the approved Capital Programme for 2024/25 onwards net of interest on forecast

balances. There is an additional reduction in Treasury Management costs for 2024/25 due to the re-profiling of the capital programme and the resulting funding requirement which can be met from internal borrowing to minimise borrowing costs where possible. Final details will be confirmed in the Treasury Management Strategy for 2024/25 will be reported to Overview & Scrutiny Committee, Executive and Full Council for approval in March.

122. The costs of managing and maintaining new capital assets will have to be taken into account in the revenue budget as new assets come into use. Budgets will also have to be established for any new income streams generated.

Capital Programme – Policy on Capitalisation of Salaries.

123. Costs incurred as a result of staff spending time on capital projects can be capitalised, provided that time can be linked to bringing a specific, separately identifiable asset into working condition, or substantially enhancing the working life of an existing asset.

STATEMENT OF THE CHIEF FINANCE OFFICER (CFO)

124. The Local Government Act 2003 (Section 25) places a duty on the Chief Finance Officer to advise the Council on the robustness of the proposed budget and the adequacy of balances and reserves supporting its budget. The Council is required to have regard to this advice when making the annual budget decisions.

125. The information set out in this Budget report and the supporting Medium-Term Financial Plan Summary and other Annexes sets out how this Council plans to:

- assess and manage financial risks, including the risks relating to delivery of new income streams and commercial activities;
- manage increased demand for services;
- manage delivery of major capital schemes;
- track proposed changes and volatility of Government funding;
- deliver a balanced budget beyond 2024/25;
- continue to deliver value for money to local taxpayers;
- continue to receive an unqualified audit report on the annual statement of accounts; and
- ensure that effective scrutiny of the Budget process is carried out and responded to.

CIPFA Resilience Index

126. The Council's position against a range of financial measures compared to similar councils is available online through the CIPFA Financial Resilience Index at <https://www.cipfa.org/services/financial-resilience-index-2022>.

Table 20: CIPFA RESILIENCE INDEX INDICATORS at March 2021 and March 2022¹	This Council's Relative Risk Compared to Similar Councils	This Council's Prospects over the Medium Term
Reserves Sustainability – increase in reserves over recent years	Low	Planned use of previously un-allocated reserves (for example for investment in Housing)
Level of Reserves – compared to the annual revenue budget	Low	

Table 20: CIPFA RESILIENCE INDEX INDICATORS at March 2021 and March 2022¹	This Council's Relative Risk Compared to Similar Councils	This Council's Prospects over the Medium Term
Changes in reserves over recent years	Low	means that this position will be harder to maintain
Interest payable compared to recent budget	Low	Planned growth in the Capital Programme and associated borrowing means that this position will not be maintained.
Gross external debt	Low	
Fees & Charges - as % of service budgets	Higher than Average	Implementation of the Fees & Charges proposals in the 2023/24 budget should improve the Council's position against this indicator as it results in new and/or increased sources of income.
Ratio of Council tax contribution to revenue budget	Low	Risk not expected to increase following the increase in the council tax referendum limit for 2023/24 and 2024/25.
Funding growth - compared to Government baseline	Increasing	This risk is expected to increase if Government funding reduces.

Note

1. Latest published results

CIPFA Financial Management Code

127. The Chartered Institute of Public Finance (CIPFA) Financial Management Code ('the FM Code') was introduced in April 2021. It is intended to support good financial management and stability and applies to all local authorities, including police, fire and other bodies.
128. The detailed requirements were set out in the MTFP that was approved in July 2023. In summary the FM Code is based on a series of principles and standards to provide the foundation for authorities to manage their short, medium and long-term finances, maintain resilience to meet demands and manage unexpected financial shocks. It does this by aiming to:
- Support self-regulation in the local authority sector, by setting out non-prescriptive framework within which Councils can operate;
 - To promote a move away from short-termism to longer term strategic financial planning;
 - To reinforce the role of the whole leadership team in ensuring financial sustainability and good governance.
129. Authorities have been required to adopt the requirements of the FM Code with effect from April 2021.
130. Compliance with the FM Code will help provide further assurances on the supporting information that is relied on to produce annual budget estimates, MTFP forecasts and in-year monitoring reports.
131. The latest assessment of this Council's compliance with the requirements of the Code

and any areas for further development areas were outlined in the Medium Term Financial Plan report to Executive in July 2023.

Robustness of Reserves

132. As highlighted in the Service & Financial Planning report to Executive on 16 November 2023 and in this Budget report both general and earmarked reserves remain relatively healthy. The planned use of reserves in 2024/25 year is appropriate as the Council addresses areas of financial risks and moves to a position where its finances rely less on Government grants and as it invests in delivery of its Strategies. The forecast remaining level of reserves will continue to provide sufficient cover to meet commitments and provide a strong 'safety net' for unplanned events. This report includes the outcome of the latest review of Reserves to ensure that they remain aligned with the most significant areas of risk in the budget and delivery of corporate priorities.

Budget Proposals – Issues, Uncertainties & Risks

133. As explained in this report, the budget proposals for 2024/25 are robust. There remain a number of uncertainties and risks which are summarised in the following paragraphs.

134. Geopolitical and the national economy:

- Geopolitical and economic pressures exist nationally and globally – they could result in lower income (through - for example - reduced discretionary spending or lower than anticipated recycle prices) and increases in demand (benefits and statutory duties such as homelessness).
- A reduction in the number of employers in the Borough could also have an impact on retained NNDR income.
- Inflationary pressures persist despite recent drops in CPI and are a significant risk, in particular with regard to fuel, energy and building costs. UK interest rates remain high at over 5% which affects the cost of borrowing and puts further pressure on residents and local businesses.

135. Future Government Funding:

- The future of local government funding and business rates remains uncertain and an area of concern. All Councils still await news of the Fair Funding Review and Business Rates Reforms and these may not be available until 2025/26 at the earliest. The date for a General Election is also drawing nearer and will fall into the coming financial year 2024/25 with policy changes likely to follow.
- Other Government strategies such as the Resources and Waste Strategy may also pressurise domestic council budgets and are likely to require consideration and have budgetary implication from 2025/26 when implementation plans are confirmed.
- The end of New Homes Bonus payments over the coming years will have an impact on available resources if this ceases after 2024/25.
- There is a temporary accommodation crisis nationally and the Homelessness Reduction Act requires councils to provide more support to homeless people and people at risk of becoming homeless. The Government has continued to commit ring-fenced funding towards this duty but there remains a question mark over the longer term.

- There is further pressure due to the shortfalls expected in Housing Benefit Subsidy grant from Government due to the increased cost of supported housing claims and discretionary housing payments – many of these additional costs have to be borne by the Council's Revenue Budget and Government risk reserve.

136. Revenue Budget Savings:

- Following budget reductions in past years, it has become increasingly difficult to generate additional ongoing savings at the margins whilst protecting and preserving both services to residents and essential council resources.
- The continued development of the Financial Sustainability Programme remains a priority over the next couple of years to address the forecast MTFP gap and to establish a framework of initiatives to protect the financial future of the council.
- If the Council is to deliver financial sustainability then it will need to continue efforts to become a more commercial organisation and fully explore income generating opportunities involving, for example, asset investment, partnership working and providing services for other organisations. However the increasing controls on 'borrowing in advance of need' and the limitations imposed on councils from the 2021 introduction of the new CIPFA Prudential Code has limited many of the options that might otherwise have been considered to deliver new commercial income streams.
- The ongoing review of Fees & Charges is helping identify new income generation opportunities. The Fees & Charges Policy was approved in November 2023.

137. Corporate Plan:

- The Council is currently reviewing its Corporate Plan, and starting to develop its next plan for 2025-2030.
- This review process will take account of developing context and a range of local engagement and consultation.
- Where any new or revised priorities are identified, these elements and necessary resourcing will be considered within the Service & Financial Planning process.

138. Budget Risks:

- The latest risk assessment is detailed in the MTFP and current Strategic Financial Risks to the Council's financial sustainability are reported at Annex 1 (Appendix 3).
- Despite significant improvements in recent years the Pension Fund remains a risk over the longer term as future economic downturns and recent case law may impact on the value of the fund investments and liabilities. However, current employer contributions remain affordable within existing resources.
- Given the uncertainty over future geopolitical and national economic conditions and the business rates regime, it is prudent to maintain the Council's capacity through its reserves to protect services from unforeseen financial pressures. Once used however, it may prove difficult to replenish reserves.

- It should be noted that the Council retains a General Fund working balance in-line with the approved Reserves Policy and has been able to set a prudent 'balanced' budget for 2024/25 as detailed on this budget report to Council. As a result of this prudent budget as detailed in this report.
- The Council is therefore not at risk, based on current medium term forecasts (unlike some councils), of having to consider the issue of a S114 notice.

139. Overall, the Council has made prudent budgetary provision for its commitments for the 2024/25 financial year and can set a balanced budget, within the legislative framework that governs its operations and within other constraints, such as the Council's policy framework.

OPTIONS

140. The following options are available to the Executive:

OPTION 1 - Approve the proposed budget and financial planning changes set out within the report.

This option is recommended for approval, to ensure that the Revenue Budget, Council Tax and Capital Programme are agreed in good time to adopt a balanced budget for 2024/25.

OPTION 2 - Only approve some of the proposed budget and financial planning changes set out within the report.

This option is not recommended, as it would undermine service plan delivery and would present a risk to setting the budget and council tax for 2024/25.

OPTION 3 - Reject the proposed budget and request that further work be undertaken to develop new proposals for consultation under the terms of the Constitution.

This option is not recommended as it leave the Council at risk of failing to adopt a budget and council tax for 2024/25.

LEGAL IMPLICATIONS

141. There are no direct legal implications arising from the recommendations in this report subject to the Council adopting a balanced budget for 2024/25 by March 2024 to meet the requirements of the Local Government Finance Act 1992
142. The Local Council Tax Support Scheme changes have been subject to consultation to ensure that any changes agreed are compliant with the relevant regulations.

FINANCIAL IMPLICATIONS

143. These are addressed throughout the report.

EQUALITIES IMPLICATIONS

144. The Council has a statutory duty to consider equality implications as part of the decision making process and demonstrate this. The Council's Corporate Equality Policy – setting out the Council's legal duties and responsibilities – is available at https://www.reigate-banstead.gov.uk/download/downloads/id/6490/corporate_equality_policy_2020.pdf
145. An initial assessment was undertaken on each of the budget changes proposed in the November Executive report to determine whether it would impact on service delivery or service users in any way. This assessment identified that a number of the proposals

may potentially have an impact on residents with protected characteristics. Those proposals were:

- Proposals to increase the Borough Council's element of Council Tax by the referendum limit;
- Proposals to increase fees for the issuing of summons and obtaining liability orders for Council Tax and Business Rates non-payment;
- Proposals to increase car park charges; and
- Proposals to increase some community centre room hire charges.

146. Draft equality impact assessments for these proposals were published to accompany the budget consultation (see below for more detail about the consultation). In all instances, consideration has been given to impact avoidance and mitigation measures and proposals for ongoing monitoring and review to ensure that if any negative impact is identified this can be responded to.

147. Since the draft budget proposals were published, consultation has been undertaken, and the equality impact assessments have been finalised. The final assessments are attached at Annex 7 to inform Members' decision making.

148. In summary:

- Proposed Council Tax increase: Any potential negative impact on residents facing financial hardship (including those in protected characteristic groups) will be avoided by continuing to operate the Local Council Tax Support Scheme and the provision of discretionary support as appropriate.
- Proposals to increase fees for the issuing of summons and obtaining liability orders for Council Tax and Business Rates non-payment: Any negative impact on those with protected characteristics will be avoided via the recovery process which provides residents with the opportunity to engage with the Council, bring their payments up to date and assist any residents who are financially vulnerable.
- Proposals to increase car park charges: The increases proposed are consistent with levels of inflation since charges were last reviewed, and car parks remain free to blue badge holders. The parking team will continue to monitor levels of car parking usage / ticket sales to understand the overall impact of the proposals. Consideration will be given to whether a survey of car park users would be beneficial to allow a better understanding of the demographics and protected characteristics of those who use our car parks.
- Proposals to increase some community centre room hire charges: Charges have been reviewed to ensure that they are applied more equitably overall (improving fairness for all hirers). Any potential negative impact on those with protected characteristics can be avoided by the hirer using an alternative venue or amending their own charging. However, monitoring will also be undertaken to assess the impact of the changes on room hirers and usage patterns, and charges will be reviewed regularly, with the option remaining to consider discretionary reductions in the event that a disproportionate negative impact is identified.

149. A small number of service budget changes have been included in the final proposals that were not included at draft budget stage. These have been considered and no

associated equality impacts have been identified associated with them.

Local Council Tax Support

150. An equality impact assessment has also been undertaken on proposed changes to Local Council Tax Support. This is included as part of Annex 6. This has concluded no negative impact, and the potential for positive impact on residents with protected characteristics who either already access support or may newly become eligible.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

151. Proposals within this budget respond to a number of the 'next steps' set out in the covering paper to the Executive which accompanied the latest Environmental Sustainability Strategy Annual Report (September 2023).
152. Revenue budget growth is being sought for the following, which will contribute to the delivery of the Council's Environmental Sustainability Strategy and Action Plan:
- 1 FTE Sustainability Manager (£0.068m), to provide additional capacity within the Corporate Policy, Projects & Performance service and support the Council work towards its net zero organisation and borough-wide targets, and other sustainability objectives;
 - 0.5FTE Ecology Officer (£0.020m), to assist the Council in implementing biodiversity improvements; and
 - £0.121m increase to base budget in Neighbourhood Services to enable the Council to transition the running of its compatible HGV fleet from diesel to HVO, delivering an estimated 76% reduction in carbon emissions per vehicle and an overall 24% reduction in total annual Council carbon emissions (approx. 475 tCO₂e per year). This revenue growth request figure is based on the purchase of ethically sourced HVO, and is based on 2022/23 vehicle fuel usage, current diesel prices and HVO prices quoted by reputable suppliers. In addition to this, growth of £0.016m has been allowed to cover projected electricity charging costs for one new electric refuse collection vehicle.
153. Revenue savings are identified of £0.025 million associated with the installation of CIL-funded solar compacting bins. This saving results from reduced frequency of refuse bin emptying which will also deliver (currently unquantified) carbon emission reductions from reduced vehicle mileage.
154. Capital growth is being sought for the following:
- £0.100m of capital growth for the installation of upgraded energy management systems across key operational buildings. This will contribute to achieving carbon emissions reduction as it will enable better understanding (and therefore control) over energy use in our buildings. This therefore represents an 'invest to save' project. It will also mean the Council has access to more up to date and reliable data for reporting purposes;
 - Environmental upgrades to a range of Council buildings to deliver recommendations from the commissioned Energy Audit reports. This includes the approx. £0.800m of strategic CIL secured for the delivery of solar panels, energy management and energy efficiency measures across 9 Council buildings. In addition, capital growth of £1.145m is being sought, which will fund the installation of measures such as anti-glare film, LED lighting and lighting sensors, sub-metering and switching from gas boilers to either heat pumps or hybrid heating systems. The carbon savings associated with measures

delivered through CIL and this additional capital growth combined is estimated at in the region of 330 tCO₂e per year. Should this capital growth be funded from external borrowing over 50 years, borrowing costs of around £0.090m per year are projected; however it should also be noted that investing in energy reduction measures across our operational assets will reduce council energy bills and thus deliver associated revenue savings.

- £0.250m of capital growth to fund the cost uplift associated with purchase of one electric garden waste collection vehicle. The purchase of this vehicle will be part funded by the existing fleet replacement capital programme allocation; however additional funding is required due to the cost premium associated with an electric vehicle. This growth was considered and agreed for inclusion in the budget at the Executive meeting in December 2023.

155. The environmental sustainability implications of other individual proposals within the draft budget have been considered. For the majority of proposals, no environmental sustainability impact has been identified. Where potential impact has been identified this is as follows:

- Potential positive impact from the proposed increase in parking fees, encouraging car users to consider alternative modes of transport.
- Potential positive impact from leasing new street sweepers which are HVO compatible.

156. It is not considered likely that there will be any sustainability implications from the proposed fee increases in relation to allotments, garden waste and bulky waste – the fee increases implemented last year did not have a notable negative impact on service usage and indeed garden waste registrations increased.

157. More generally, the proposed approach for funding the Council's environmental sustainability activity is as follows:

- Base budget funding within the corporate policy team for one sustainability project officer, with non-base budget funding for a second sustainability project officer;
- Retention of the Environmental Sustainability Reserve to progress corporate sustainability project activity;
- Service-specific initiative costs funded within the relevant Council departmental budgets (for example, Fleet, Facilities), with the above sustainability reserve serving to provide 'top up' funding in some instances; and service-level capital funding requests progressed on a project-specific basis; and
- Drawing on external or third party funding opportunities wherever possible, either by the Council working alone or in partnership.

COMMUNICATION IMPLICATIONS

158. The Council continues to offer value for money for Council residents – in 2024/24, the average household will pay just £4.95 per week to the Borough Council in Council Tax, which pays for the wide range of services that the Council delivers, including household waste and recycling collections, street cleaning, greenspaces maintenance, leisure and community centres, and statutory and regulatory services such as licencing, environmental health and planning.

159. Central to Council's communications and engagement strategy is not only to promote

the good work that the Council does and the services it provides, but also to ensure residents and businesses are aware of and have the opportunity to input to our annual Service & Financial Planning process. Development of the Corporate Plan was supported by extensive consultation with residents and other partners to inform priorities which remain relevant for the duration of the Plan.

RISK MANAGEMENT CONSIDERATIONS

160. Service and financial plans are aimed at minimising risks and ensuring that the Council continues to deliver great services whilst managing budgets and other resources well. The Medium-Term Financial Plan and Capital Investment Strategy include analyses of forecast budget risks and the mitigating action that is planned.
161. The Council has strong risk management arrangements in place to ensure that any risks are identified and managed, with regular reports provided to the Audit Committee and the Executive.
162. The risks relating to the long-term financial sustainability of the Council remain on the strategic risk register, and as such controls and mitigating actions are regularly reviewed. They are set out in the MTFP at Annex 1. Commercial investment (where permitted), which is a key aspect of securing our long-term financial sustainability and can be affected by wider macro-economic circumstances, is also identified as a strategic financial risk for which controls are in place and mitigating actions being implemented.
163. The Local Council Tax Support scheme has now been reviewed and changes recommended and this de-risks the potential for not having a scheme which is up to date and reflective of current needs. Changes have been subject to wide consultation to avoid the risks of legal challenge, which again are borne entirely by this authority. This has also not prevented the Council from managing and controlling other areas of the Council Tax base, such as discounts and exemptions.

HUMAN RESOURCE IMPLICATIONS

164. The Council will need to maintain workforce capacity and skills to enable the organisation to diversify and deliver again Corporate Plan ambitions.
165. The service & financial planning proposals for 2024/25 result in an overall change in FTE numbers as set out in the table below.

Table 21: STAFF ESTABLISHMENT – FORECAST FTE MOVEMENTS 2023/24 TO 2024/25		
STAFF ESTABLISHMENT 2023/24 (including fixed term posts)		530.0
Net Permanent Posts to be created / (deleted) as part of 2024/25 Service & Financial Planning Savings and Growth proposals:		
Annex		
2	Corporate Policy	1.0
2	ICT	3.0
2	Legal Services	(1.0)
2	Environmental Health & Licencing	1.5
2	Planning & Development	0.5

Table 21: STAFF ESTABLISHMENT – FORECAST FTE MOVEMENTS 2023/24 TO 2024/25	
STAFF ESTABLISHMENT 2023/24 (including fixed term posts)	530.0
FORECAST STAFF ESTABLISHMENT 2024/25	535.0
NET INCREASE / (DECREASE)	5.0

166. The final budget proposals and Medium Term Financial Plan forecasts include provision for an annual pay award for staff. This award has been subject to negotiations with staff union representatives and takes into account a variety of factors, including economic conditions, inflation levels and staff recruitment and retention considerations. The budget forecast also includes an allocation for contractual pay increases for some staff (primarily incremental pay rises linked to achieving appraisal targets).

Pay Award

167. An increase of £1,800 for 2024/25 for all staff was offered and can be accommodated within the budget; consultation with the recognised trade unions has now concluded with formal acceptance of this offer.

CONSULTATION

Public Consultation

168. Consultation has been carried out in line with the Constitution. The 8 week public consultation ran from 20 November 2023 until 15 January 2024. An online survey was provided, with multiple choice options along with ‘free text’ questions, to allow respondents to give their views in their own words. Interested parties were also able comment by email to a dedicated Council email address or via a ‘Freepost’ option.

169. The consultation was promoted through a press release, social media, Council e-newsletters to residents and businesses and by email to a list of approximately 520 stakeholders. Recognising that some residents may not be able to take part on-line, hard copy paper surveys in an accessible format were made available on request from the Customer Contact Team.

170. The Council received 73 surveys (17 of which were only partially completed), and a further 1 representation by other means.

171. The results of the consultation on the draft budget proposals have been taken into account in finalising the proposals within this paper, and the accompanying equality impact assessments (see above). A summary of the consultation findings, including written comment provided as part of the survey, is included at Annex 6. Headline messages include:

- The proposal to increase Council Tax by the referendum limit was supported by a majority of respondents, receiving 60% of responses in agreement;
- There was a mixed response in relation to proposals for changes to fees and charges. While some were supported by a majority of respondents (for example locally set environmental health and licencing charges and planning charges both received 69% support or over), levels of support for other proposed changes were considerably lower (for example, increased charges for garden waste (31%) and bulky waste collection (31%), for allotments (44%) and cemeteries (33%), and at Council car parks (33%);
- Proposals to reduce the Council’s direct costs, and to generate more income were strongly supported (ranging from 72% to 93% support);

- However there were mixed views for proposals to increase direct costs. Some proposals – such as using more environmentally fuels – received a good level of support (78%); others had less support – for example, increased budget to cover external ICT support and maintenance costs, and funding to make council buildings more energy efficient both received less than 50% support.

172. Comments raised via the survey suggest value for money continues to be important for residents, along with the provision of high quality services. Some respondents expressed that further savings should be made before costs are increased. While views are mixed as to where the Council should prioritise its focus, a number of responses highlighted the need to consider the ‘knock on’ impacts of any choices. This included concerns about a potential increase in fly-tipping as a result of increased optional waste collection charges, a reduction in physical activity levels and mental health benefits from increases to sports pitch charges and allotment fees, and an increase in anti-social parking as a result of paid car park fee increases.
173. One response not using the survey format was received, from Salfords & Sidlow Parish Council, specifically requesting inclusion of budget dedicated to the provision of community transport for more vulnerable residents. The relevant service area has confirmed that no change to the budget for 2024/25 is proposed, but that the Council will continue to work with SCC and local partners to explore potential local transport initiatives while also continuing with the existing taxi voucher arrangements.

Consultation with the Overview & Scrutiny Committee

174. The Overview & Scrutiny Committee established a Budget Scrutiny Panel to support this work. The Panel met on 29 November 2023 and their report was considered by the Overview & Scrutiny Committee on 7 December 2023 and presented to the Executive on 14 December. The Committee is also due to consider the final Budget proposals on 25 January 2024.

Consultation With Business Representatives:

175. Section 65 of the Local Government Finance Act 1992 requires the Council to consult representatives of those subject to non-domestic rates in the borough about its proposals for expenditure for each financial year. This was done as part of the public consultation exercise described above, including promotion of the consultation at business networking events and using the Council’s business e-newsletter.

POLICY FRAMEWORK

176. Service & financial planning: the budget proposals within this report form part of the Council’s budget and policy framework. The annual budget is developed to ensure that the Council can deliver the Corporate Plan and services to residents and businesses.

Background Papers:

Medium Term Financial Plan 2024/25 to 2028/29, report to Executive on 13 July 2023

Capital Investment Strategy 2024/25, report to Executive on 22 June 2023

Service & Financial Planning 2024/25 to 2027/28, report to Executive on 16 November 2023

Budget Scrutiny Panel Report, Service & Financial Planning 2024/25, report to Executive on 16 December 2023

Equality Impact Assessment: Service & Financial Planning 2024/25, January 2024

ANNEXES (Note as included only in report to Executive 1 February 2024):

1. Medium Term Financial Plan Summary
2. Additional Revenue Budget Growth & Savings Proposals
3. Forecast Revenue Budget Reserves
4. Additional Capital Programme Growth Proposals
5. Capital Programme 2024/25 to 2028/29 – All Schemes
6. Draft Budget 2024/25 – Consultation Report
7. Equality Impact of 2024/25 Budget Proposals
8. Local Council Tax Support Scheme – New Scheme Details

REVISED

Recommendations from Executive – 1 February

**Executive
Minute
reference
61**

Budget & Capital Programme 2024/25

The Deputy Leader and Executive Member for Finance, Governance and Organisation addressed the Executive stating that this report presented the final revenue and capital budget proposals for 2024/25 resulting in a net revenue budget requirement of £23.167 million along with a recommended council tax increase of 2.99% (equivalent to £7.47) for the average Band D property.

The key components of the revenue and capital budget were outlined and firstly provided Executive Members with some context of how the Council has approached this year's Budget and the challenges faced in the preparation and delivery of it.

Firstly, it was announced that the Council had been able to set a balanced revenue budget for 2024/25 without any requirement to use its General Fund Balances. This was a very positive outcome as it was reported that many other councils (estimated to be up to 40%) may have to consider drawing on Reserves to achieve a balanced budget.

It was confirmed that the Council (as a result of many years of prudent financial management) was nowhere near a position where a Section 114 notice might have to be considered. The Executive would be aware that many other councils across the country were struggling with this dilemma, and this was not a concern for this Council which was very reassuring news.

There was also additional comfort that the Local Government funding reforms had once again been pushed back, now to 2025/26 at the earliest; this meant that the prospect of future funding cuts, when the reforms took place remained a threat but was not imminent.

The net General Fund revenue budget for 2024/25 of £23.167 million was actually lower than the previous year's budget of £23.194 million. Whilst this may be only a small difference (of -£27k), it demonstrated the commitment that Officers and Members have made to reduce costs and find efficiency savings and income wherever possible to protect funding for the Council's front-line services.

The Council has also maximised the use of capital resources to promote its environmental and sustainability ambitions

across the borough. This included investment in solar compacting bins and a new electric refuse vehicle as well as a move to HVO fuel for other vehicles.

In terms of the economy, the Council remained in difficult times, both nationally and internationally. Geopolitical concerns across the globe (such as the war in Ukraine and the Israel/Palestine crisis) continued to have a marked effect on the UK economy. And in turn on this Council's spending plans and those of our residents.

In the U.K. the cost of living crisis continued along with housing shortages and significant temporary accommodation pressures, were all impacting on this Council's budgets. Plus the ongoing impacts of housing benefit cost pressures due to shortfalls in Government subsidy which the Council has to fund.

In terms of the UK domestic economy, the Council still faced stubbornly high inflation with CPI at 4.0% at January (an increase from 3.9% in December), coupled with Bank of England interest rates at 5.25% with no definitive indication of when they might reduce.

In terms of the Council Tax the Council had little choice but to raise this Council's share of the bill by 2.99% and the Executive was advised that whilst the Council considered this an unavoidable increase, it was still below the level of CPI inflation at 4.0%.

The need to increase Council Tax by 2.99% was compounded by the Council's reduced levels of Business Rate income due to the government formulae which determined how much of the rates collected can be retained locally.

In terms of direct government grant funding, for 2024/25 the Council was receiving an increase of just £220k compared to 2023/34.

But on a more positive note it was announced that this report proposed a new Local Council Tax Reduction Scheme for 2024/25 onwards, which provided means tested reliefs to Council Tax payers who were facing hardship. One of the scheme benefits is that 1,800 households would now qualify up to the full 100% reduction award.

Despite the challenges outlined, the Council has nevertheless set a balanced and robust budget which addressed the challenges outlined.

For example

- The Council has allocated £694k of funding to manage the risks of housing benefit subsidy losses.
- The Council continued to maximise its capital financing strategy to avoid external borrowing costs.
- The Council has been able to provide Budget growth to fund delivery of our environmental sustainability strategy.
- The Council has also found significant efficiency and income generation savings to help balance the overall budget requirement.

Councillor Lewanski gave more detailed component parts of the budget.

The Council was recommending net Service Budget growth of £1.112m for next year. This reflected:

- Pay growth for Services of £316k and;
- Non-Pay growth for Services of £716k

The main unavoidable components of this growth comprised of :-

- ICT increased system and maintenance costs £200k
- Property costs – maintenance and running costs £254k
- Cost of introducing HVO fuel for green vehicles £121k
- 5 new posts (IT / Sustainability / Ecology / Environmental Health) £316k

This growth of £1.112m was offset and effectively absorbed by a larger amount of income from savings which comprised of:

- Savings and income generated of (£1.754m), and ;
- Additional income raised from fees and charges of (£0.540) million.

The main components of the income and savings were:-

- Additional income from The Rise at Redhill (£770k)

- Savings from rationalisation of energy contracts (£350k)
- Car parking savings following the transfer of on-street control back to SCC (£162k)
- Additional car parking fees and charges (£138k)
- Additional Waste and Recycling charges (£146k)

In total the Budget would generate a total of (£2.294m) of savings and income, which was a significant achievement in light of the impacts of the COVID-19 pandemic a couple of years back.

In terms of Central Budgets these were set to rise by a net overall figure of £1.319m.

This comprised of £1.750m for staff pay increases and pension contributions which were offset by Treasury Management savings of (£255k) plus deletion of an unused pay budget allocation from the last financial year of (£243k).

With regard to net Council Tax income this would rise by just over £382k next year while our share of Business Rates would decrease by £650k compared to recent years, largely due to the level of tariff payment the Council had to pay over to central government.

The Provisional Local Government Settlement was announced on 18 December 2023. In terms of direct grant funding the Council received an additional net increase of just 220k from a combination of increases in the Minimum Funding Guarantee Grant and the Services Grant, offset by a reduced level of New Homes Bonus.

The Council also received another ringfenced grant of £695k for homelessness prevention which has been allocated to the Reserve set aside to help the Council manage homelessness risks, so that the funds were available to draw down as needed.

The Council was now awaiting the Final Local Government settlement announcement which was expected on 6 February 2024.

In the meantime, there was an unexpected Government announcement on 24 January indicating that councils would receive a further small tranche of funding equivalent to an extra 1% on top of the existing 3% Minimum Funding Guarantee in the settlement.

The Council was now awaiting confirmation of what this extra funding meant for this Council, presumably as part of the Final Settlement figures on 6 February 2024. Going forward the Council would continue to take a broad view across all budgets through our Financial Sustainability Programme. This will included:

- continuing to look at how the Council's assets were performing and options for their future use;
- pursuing opportunities to generate new sources of income and savings; and
- ensuring that all services delivered value for money.

The forecast gap over the medium term required that all options for securing financial stability continue to be considered.

As outlined in the budget report, the Council continued to hold a healthy level of Reserves that were available to help the Council to continue to manage budget risks and opportunities.

The General Fund Balance at £3.5 million remained more than adequate to cover financial risks while other Earmarked Reserves were forecast to be £26 million by April.

This report also included details of the Council's Capital investment plans which demonstrated the breadth of activity across the borough to improve and enhance its asset base.

Capital growth for 2024/25 totals £4.5 million, primarily to fund the final stages of Marketfield Way and to pay for an electric refuse vehicle.

The capital programme for 2024/25 to 2028/29 has also been re-profiled as part of budget setting to rationalise capital schemes which were no longer required or require re-scheduling to future years.

In summary - overall, the 2024/25 Revenue Budget and Capital Programme was based on a full and robust assessment of what the Council did and how services were funded. This work has been carried out by Executive members, supported by the Management Team.

The proposals have been subject to thorough review by Members of the Budget Scrutiny Panel and the Overview & Scrutiny Committee. Their findings and recommendations were reported separately to Executive in December. Overview & Scrutiny also made time to consider the final budget proposals at their most recent meeting.

Members and Officers were thanked for their valuable contribution to the budget process.

Cllr Michalowski was thanked for pointing out the drafting error in Table 8.1 in paragraph 59. The £'000 symbol top of the second column in from the right, should have read the word "DEMAND" instead.

Councillor Lewanski was pleased to recommend this report to the Executive and to Full Council as a firm foundation for our future financial plans.

Subject to the Executive's agreement of recommendations (i) to (xi), the proposed budget would go forward for consideration by Full Council on 20th February 2024.

The Leader of the Council thanked the Chief Finance Officer, her team and the Budget Scrutiny Panel for their work on the budget.

It was noted that the addendum to the Executive agenda papers included comments from the Overview and Scrutiny Committee.

A visiting member observed that the Police precept was now increasing more than the Borough Council's precept.

Councillor Essex stated that that there remained £30million in the pipeline for investment in affordable housing at a time when the waiting list for housing was increasing. The Leader of the Council responded that up to £20million had previously been allocated of which £1million had already been spent. There was no urgency to call on those funds while the Government continued to make other funding available (up to £6-8million). The Council was currently focussing on purchasing properties to provide temporary accommodation having previously invested in developments like Wheatley Court.

Written responses would be provided to visiting Members questions on:

- An update on Household Support Fund spend and activity; Members noted that this was due to cease in March 2024;
- The total value of investment to date in properties for housing refugees in the borough;
- Whether the budget includes funding for an ecology officer; and
- Whether the current year's funding contribution from the NHS is expected to continue.

Responses were provided to a visiting Member's questions:

- A full recycling service was being rolled out to 5,500 flats.
- It would have to be verified if the 757 base property figure included The Rise and Wheatley Court.
- It was confirmed that the Council retained a small proportion of business rates collected.

In respect of council tax recovery, it was noted that the number of summons had increased by 3%. In response to a Member's question about how taxpayers experiencing financial hardship were managed, it was confirmed that officers always try to engage but some residents were reluctant to respond.

RESOLVED that the Executive

- 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 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.**

That Executive authorise:

- xi. The Chief Finance Officer to make any necessary final technical adjustments to the Budget and Council Tax arising from final budget refinements or changes to Government funding.**

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SIGNED OFF BY	Chief Finance Officer
AUTHOR	Jacque Aboagye, Finance Manager
TELEPHONE	
EMAIL	Jacqueline.aboagye@reigate-banstead.gov.uk
TO	Executive Council
DATE	Thursday, 1 February 2024 Tuesday, 20 February 2024
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance and Governance

KEY DECISION REQUIRED	Y
WARDS AFFECTED	(All Wards);

SUBJECT	Council Tax 2024/2025
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RECOMMENDATIONS	
<p>(i) It be noted that on 30 November 2023 the Council calculated:</p> <p>a) the Council Tax base 2023/24 for the whole Council as 64,252.3 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the “Act”)] and,</p> <p>b) for dwellings in those parts of its area to which a Parish precept relates:</p> <ul style="list-style-type: none"> • Horley Town Council 11,186.2 • Salfords & Sidlow Parish Council 1,453.7 <p>The ‘tax base’ is the number of Band D equivalent dwellings in a local authority area.</p> <p>Detailed calculations of the Council Tax are set out in Annexes 1, 2 & 3.</p> <p>(ii) Calculate that the Council Tax requirements for the Council’s own purposes for 2024/25 (excluding Parish precepts) is £16,524,407</p> <p>(iii) That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Act:</p>	

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- a) **£68,428,760** – being the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils
- b) **£51,253,593** – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
- c) **£17,175,167** – being the amount which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 32(4) of the Act).
- d) **£267.31** – being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).
- e) **£650,760** - being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix).
- f) **£257.18** - being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

g) Horley Town Council	£311.18
Salfords & Sidlow Parish Council	£289.28

Being the amounts given by adding to the amount at 3(f) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

- (iv) It be noted that the figures in the attached Appendix being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportions set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in different valuation bands.
- (v) Having calculated the aggregate in each case of the amounts 1 to 5, above, the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts of Council Tax for the year 2024/25 for each of the categories of dwellings shown in Annex 3.
- (vi) It be noted that for the year 2024/25 Surrey County Council and Surrey Police and Crime Commissioner have notified their final amounts of precepts issued to the Council, in accordance with Section 40 of the Act.
- (vii) Authorise the Chief Finance Officer to make any amendments to the Council Tax demands as might prove necessary as the result of changes to the estimated demands issued by preceptors on the Council's Collection Fund.

REASONS FOR RECOMMENDATIONS
<p>The <i>Local Government Finance Act 1992</i> sets out the requirement for local authorities to set a budget for the next financial year. This report provides the information to fulfil that requirement. Under the Constitution the Executive considers a proposed budget and Council Tax, before then making a recommendation on the appropriate level of Council Tax to full Council. Following consideration, Council may then authorise the budget and Council Tax.</p>
EXECUTIVE SUMMARY
<p>This report will enable this Council to collect Council Tax for 2024/25 on behalf of itself and its precepting bodies.</p> <p>At the time of executive meeting on the 1 February 2024, the final precepts from Surrey County Council and Surrey Police and Crime Commissioner were not finalised.</p> <p>Subsequent to the Executive meeting on 1 February 2024, Surrey County Council and Surrey Police have now held their subsequent budget setting meetings, and this report has been updated to reflect the final precepts they have set and thus their final Council Tax demands.</p>
Recommendations 1-7 are subject to approval by the Council.

STATUTORY POWERS
<ol style="list-style-type: none"> 1. The Local Government Finance Act 1992 (the Act) sets out the requirement for local authorities to set a budget for the next financial year. The full Council of the authority is formally required to approve the budget and for Council Tax to be levied. Under the Council’s Constitution the Executive considers a proposed budget and Council Tax, in order to make a recommendation on the appropriate level of Council Tax to the full Council.
BACKGROUND
<ol style="list-style-type: none"> 2. Reigate & Banstead Borough Council, in common with other District and Borough Councils, acts as a Council Tax collection agent for other organisations, known as “preceptors”, on the Council’s Collection Fund. Reigate & Banstead’s preceptors are Surrey County Council, Surrey Police, Horley Town Council and Salfords and Sidlow Parish Council. The majority of Council Tax paid by residents of the borough is collected on behalf of these precepting authorities.

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KEY INFORMATION

3. The purpose of this report is to propose the technical recommendations which Council will need in order to comply with the Act and set a legally compliant budget.
4. Annex 1 sets out, in accordance with the legislation, the calculation of the Borough's and the Parish/Town Councils' basic amounts of tax. That is, the taxes for a Band D property.
5. The calculations below have been based on the assumption that the Executive will recommend a budget at that level for acceptance by Council. Any changes by the Executive will, of course, be incorporated into the recommendation to Council in February.
6. Salfords and Sidlow Parish Council set their budget on 11 December 2023 based upon an amount of £32.10 for a Band D dwelling which is an increase of £2.38 for a Band D dwelling.
7. Horley Town Council set their budget on 12 December 2023 based upon an amount of £54.00 for a Band D dwelling which is an increase of £6.24 for a Band D dwelling.
8. Reigate and Banstead Borough Council's proposed annual Band D Council Tax rates are as follows:
 - £257.18 (or £4.95 per week) in non-parished areas (i.e. the Borough's Council Tax)
 - £311.18 (or £5.98 per week) in the Horley Town Council area
 - £289.28 (or £5.56 per week) in the Salfords and Sidlow Parish Council area.
9. The Council has previously decided to treat all its expenditure as a general expense on the whole of the Borough and not to designate any special expense areas (for example, for parish/town Council areas) (minute no. 5(i)(5), page 623 1993/94 refers). All residents therefore pay the same basic amount for borough services for a Band D property, subject to statutory exemptions, reliefs and discounts.
10. Surrey County Council set its budget on 6 February 2024. A 4.99% increase in their council tax has been agreed. This equates to a Band D Council Tax of £1,758.60
11. Surrey Police & Crime Commissioner set its budget on 2 February 2024. A £13.00 increase in their council tax rate has been agreed. This equates to a Band D Council Tax of £323.57.
12. The 2024/25 Council Tax for each area of the Borough is as detailed in Annexes 1, 2 and 3.

Table 1: Analysis of Council Tax by Preceptor				
Authority	£	% share		
Surrey County Council	112,994,095	74.85%		
Surrey Police & Crime Commissioner	20,790,117	13.77%		
Reigate & Banstead Borough Council	16,524,407	10.95%		
Horley Town Council	604,096	0.40%		
Salfords & Sidlow Parish Council	46,664	0.03%		
	150,959,379	100.00%		

Table 2: Analysis of Council Tax Changes by Preceptor				
Authority	2023/24 Band D £	2024/25 Band D £	Increase	
			£	%
Surrey County Council	1,675.08	1,758.60	83.52	4.99
Surrey Police & Crime Commissioner	310.57	323.57	13.00	4.19
Reigate & Banstead Borough Council	249.71	257.18	7.47	2.99
Horley Town Council	47.76	54.00	6.24	13.07
Salfords & Sidlow Parish Council	29.72	32.10	2.38	8.01
	2,312.84	2,425.45	112.61	4.64%

Table 3 Amount payable Band D			
Area	Borough and Parish Services £	County and Police Services £	Total Payable at Band D £
Horley Town Council	311.18	2,082.17	2,393.35
Salfords and Sidlow Parish Council	289.28	2,082.17	2,371.45
Rest of Borough	257.18	2,082.17	2,339.35

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OPTIONS
13. The 2024/25 budget is based on a recommended Council Tax rise of £7.47 (2.99%) increase. A decision to adopt a different council tax will require revision of the budget proposals. The budget has to be approved by Council by March 2024.
LEGAL IMPLICATIONS
14. The legal implications of this report are fully covered in the statutory powers section.
FINANCIAL IMPLICATIONS
15. The financial implications of this report are set out in the report.
EQUALITIES IMPLICATIONS
16. These are covered in the Budget 2024/25 report elsewhere on the agenda
COMMUNICATION IMPLICATIONS
17. These are covered in the Budget 2024/25 report elsewhere on the agenda
RISK MANAGEMENT CONSIDERATIONS
18. These are covered in the Budget 2024/25 report elsewhere on the agenda
CONSULTATION
19. The approach to consultation is covered in the Budget 2024/25 report elsewhere on the agenda
POLICY FRAMEWORK
20. Approval of the Budget and determination of the Council Tax is a function of full Council under the Council's constitution (Article 4.12)
BACKGROUND PAPERS
<i>Council Tax Base 2024/25, report to Council, 30 November 2023</i> <i>Budget 2024/25, Executive, 1 February 2024</i>

COUNCIL TAX 2024/25

REIGATE AND BANSTEAD & PARISH/TOWN COUNCILS - BASIC AMOUNTS OF TAX

	RBBC average including parishes	RBBC excluding parishes	Horley Town Council area	Salfords & Sidlow Parish Council area
Tax base	64,252.30	64,252.30	11,186.20	1,453.70
	£	£	£	£
Gross expenditure (Borough)	68,081,000	68,081,000	68,081,000	68,081,000
Income (Borough)	(44,914,000)	(44,914,000)	(44,914,000)	(44,914,000)
	<u>23,167,000</u>	<u>23,167,000</u>	<u>23,167,000</u>	<u>23,167,000</u>
Contribution from other Reserves	(998,000)	(998,000)	(998,000)	(998,000)
Contribution from General Fund	0	0	0	0
Contribution to Specific Earmarked Reserves	695,000	695,000	695,000	695,000
NET BOROUGH BUDGET	<u>22,864,000</u>	<u>22,864,000</u>	<u>22,864,000</u>	<u>22,864,000</u>
Horley TC precept	604,096	0	604,096	0
Salfords & Sidlow PC precept	46,664	0	0	46,664
NET BUDGET REQUIREMENT	<u>23,514,760</u>	<u>22,864,000</u>	<u>23,468,096</u>	<u>22,910,664</u>
Business Rates Relief Grants				
Business Rates (NNDR)	(3,343,593)	(3,343,593)	(3,343,593)	(3,343,593)
Lower Tier Services Grant	0	0	0	0
Services Grant	(15,000)	(15,000)	(15,000)	(15,000)
Council Tax Surplus	(151,000)	(151,000)	(151,000)	(151,000)
Homelessness Prevention	(695,000)	(695,000)	(695,000)	(695,000)
New Homes Bonus	(806,000)	(806,000)	(806,000)	(806,000)
Minimum Funding Grant	(1,329,000)	(1,329,000)	(1,329,000)	(1,329,000)
NNDR & NON SPECIFIC GRANT	<u>(6,339,593)</u>	<u>(6,339,593)</u>	<u>(6,339,593)</u>	<u>(6,339,593)</u>
COUNCIL TAX REQUIREMENT	<u>17,175,167</u>	<u>16,524,407</u>	<u>17,128,503</u>	<u>16,571,071</u>
BAND D COUNCIL TAX	<u><u>267.31</u></u>	<u><u>257.18</u></u>	<u><u>311.18</u></u>	<u><u>289.28</u></u>

COUNCIL TAX 2024/25

SETTING OF TOTAL COUNCIL TAX (INCLUDING BOROUGH & ALL PRECEPTING AUTHORITIES) - BASIC AMOUNT (BAND D)

AUTHORITY	AREA		
	Reigate & Banstead	Horley TC	Salfords & Sidlow PC
	£	£	£
Reigate & Banstead ⁽¹⁾	257.18	311.18	289.28
Surrey County Council ⁽²⁾	1,758.60	1,758.60	1,758.60
Surrey Police ⁽²⁾	323.57	323.57	323.57
TOTAL	2,339.35	2,393.35	2,371.45

(1) Including Parish and Town Council where appropriate

(2) Draft figures: the bodies are not required to have set their Council Tax levels yet.

COUNCIL TAX 2024/25

VALUATION BANDS

COUNCIL AREA	A £	B £	C £	D £	E £	F £	G £	H £
1. AMOUNTS OF TAX FOR REIGATE AND BANSTEAD BOROUGH COUNCIL, HORLEY TOWN COUNCIL AND SALFORDS AND SIDLOW PARISH COUNCIL								
Horley Town Council area	207.45	242.03	276.60	311.18	380.33	449.48	518.63	622.36
Salfords and Sidlow Parish Council area	192.85	225.00	257.14	289.28	353.56	417.85	482.13	578.56
Rest of Borough	171.45	200.03	228.60	257.18	314.33	371.48	428.63	514.36
2. AMOUNTS OF TAX FOR SURREY COUNTY COUNCIL AND SURREY POLICE								
Surrey County Council precept	1,172.40	1,367.80	1,563.20	1,758.60	2,149.40	2,540.20	2,931.00	3,517.20
Surrey Police precept	215.71	251.67	287.62	323.57	395.47	467.38	539.28	647.14
3. TOTAL AMOUNTS OF COUNCIL TAX								
Horley Town Council area	1,595.56	1,861.50	2,127.42	2,393.35	2,925.20	3,457.06	3,988.91	4,786.70
Salfords and Sidlow Parish Council area	1,580.96	1,844.47	2,107.96	2,371.45	2,898.43	3,425.43	3,952.41	4,742.90
Rest of Borough	1,559.56	1,819.50	2,079.42	2,339.35	2,859.20	3,379.06	3,898.91	4,678.70

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Recommendations from Executive – 1 February 2024

**Executive
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Council Tax 2024/25

The Deputy Leader and Executive Member for Finance, Governance and Organisation introduced the report stating that following on from the Budget report, this was the technical report that allowed full Council to debate and set the Council Tax for next year when it meets on 20th February 2024. The provisional Local Government Settlement announced on 18 December 2023, gave district and borough councils the option to raise Council Tax levels by up to 2.99% without referendum.

The reasons for this Council's recommended increase of £7.47 (2.99%) were set out in the budget report. In particular it was emphasised that this was an increase of 0.14p per week for the average household. This 2.99% increase was a below inflation increase with CPI (at January) currently being at 4.0%.

The County Council was meeting on 6th February, and it was expected that their share of the council tax would rise by 3.99%, which included the adult social care precept. Any variations to this share (if the need arises) would be recalculated and reported to Full Council under delegated authority of the Chief Financial Services Officer.

This followed on from the Police and Crime Commissioner considering the Surrey Police budget on 6th February where a £13.00 increase (4.19%) is expected to be approved. Again, any variations to this would be reported and recalculated to Council.

Overall, this meant that the Reigate & Banstead element is just over 11% of the combined Band D Council Tax (including precepts) which would increase by £95.93 or 4.15% in total from April. In addition, sums will be charged where applicable, for the parish and town councils as detailed in the report.

Councillor Lewanski recommended this report to Executive and Full Council, specifically recommendations (i) through to (vii).

Clarification was sought regarding the relevance of the figures in the final total row in table 2. The Chief Finance Officer advised that the table format was in line with the

guidance for council tax setting but would ask the Finance team to confirm.

RESOLVED that the Executive

(i) Noted that on 30 November 2023 the Council calculated:

a) The Council Tax base 2023/24 for the whole Council as 64,252.3 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the “Act”)] and;

b) For dwellings in those parts of its area to which a Parish precept relates:

- Horley Town Council 11,186.2**
- Salfords & Sidlow Parish Council 1,453.7**

The ‘tax base’ is the number of Band D equivalent dwellings in a local authority area.

Detailed calculations of the Council Tax are set out in Annexes 1, 2 & 3.

(ii) Calculate that the Council Tax requirements for the Council’s own purposes for 2024/25 (excluding Parish precepts) is £16,524,407

(iii) That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Act:

(a) £68,428,760 – being the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils

(b) £51,253,593 – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.

(c) £17,175,167 – being the amount which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 32(4) of the Act).

(d) £267.31 – being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 33(1) of the Act, as the basic

each of the categories of dwellings shown in Appendix 2.

(vii) Authorise the Chief Finance Officer to make any amendments to the Council Tax demands as might prove necessary as the result of changes to the estimated demands issued by preceptors on the Council's Collection Fund.



Signed off by	Head of Legal and Governance
Author	Annette Wiles, Deputy Democratic Services Manager
Telephone	Tel: 01737 276607
Email	annette.wiles@reigate-banstead.gov.uk
To	Overview and Scrutiny Committee Executive Council
Date	Thursday, 25 January 2024 Thursday, 1 February 2024 Thursday, 20 February 2024
Executive Member	Leader of the Council

Key Decision Required	N
Wards Affected	

Subject	Calendar of Meetings 2023/24
----------------	------------------------------

Recommendations
<p>The Overview and Scrutiny Committee is asked to consider the draft Calendar of Meetings for the 2024/25 Municipal Year (Annex 1) and make any observations to the Executive.</p> <p>The Executive is asked to consider, and recommend to Council, the draft Calendar of Meetings for the 2024/25 Municipal Year (Annex 1).</p> <p>Council is asked to approve the Calendar of Meetings for the 2024/25 Municipal Year (Annex 1).</p>
Reasons for Recommendations
To establish a timetable to ensure the efficient and effective conduct of Council business for the forthcoming Municipal Year.
Executive Summary

Agenda Item 6c

The Calendar of Meetings for 2024/25 draws on the pattern of meetings from previous municipal years. It is designed to ensure all business is achieved as efficiently as possible. The draft Calendar of Meetings for 2024/25 has been subject to a full consultation process having been considered by Group Leaders' and Leader's meetings both held on 15 January 2024.

The Overview and Scrutiny Committee will consider the Calendar of Meetings at its meeting on 25 January 2024.

It will be reported to the meeting of the Executive on 1 February 2024. The proposed Calendar of Meetings will be subject to approval by Council at its meeting on 20 February 2024.

The Calendar of Meetings requires approval by Council.

Background

1. The Constitution stipulates that Council approves the Schedule of Meetings (Procedure Rule 2/Para 2.4.2).
2. A draft Calendar of Meeting is published as an Appendix to this report (Annex 1).

Key Information

3. The public meetings as detailed in the Calendar of Meetings (Audit Committee, Council, Employment Committee, Executive, Licensing and Regulatory Committee, Partner, Shareholder and Trustee Executive Sub-Committee, Planning Committee and Standards Committee) all start at 7.30pm as set out in the Constitution (Procedure Rule 4, Paragraph 4.8.4).
4. The Budget Council meeting for 2025 (February) and preceding Executive meeting will again take place as late in the meeting cycle as possible. This is to allow more time after the end of the mandatory eight-week budget consultation period to enable sufficient consideration of the results before inclusion in the report that will initially go to the Executive and progress onto Council. It has been verified that this delay will not negatively affect the production and distribution of Council Tax letters.
5. The Council meeting in Spring 2024 has again been moved to avoid being consecutive with the Good Friday Bank Holiday. This is usual practice with the Council meeting being moved depending on how the Easter Holiday falls.
6. The Partner, Shareholder and Trustee Executive Sub-Committee meets formally before Executive meetings. Informal meetings of the Sub-Committee will meet every other month (between the formal meetings) and additional meetings will be held, should a need arise.
7. Planning Committees are held on Wednesday evenings and in different weeks to Overview and Scrutiny Committee and Audit Committee meetings (given the large overlap in Members involved in these meetings).

Agenda Item 6c

8. Following a previous discussion at Group Leaders', the draft Calendar of Meetings reflects that no Planning meetings take place between the local elections and the Annual Council meeting. This avoids needing to appoint Substitute Members for any Planning meeting in May, if some Members of the Committee have not been re-elected, and new Committee Members are yet to be confirmed at the Annual Council for the new Municipal Year. Therefore, two Planning Committees will take place in April in 2024 and 2025.
9. There are eight Overview and Scrutiny Committee meetings throughout the year (including the Police and Crime Annual Community Safety Partnership Scrutiny) plus the Budget Scrutiny Panel on 27 November 2024.
10. There are four Audit Committee meetings during the 2024/25 municipal year. The meetings will take place on Wednesday evenings. This is to allow for a phasing that better accommodates the Chair's briefing meeting. These meetings are scheduled to be in the same week as Overview and Scrutiny Committee meetings to fit in with reporting to Executive meetings and to avoid meeting in the same week as the Planning Committee.
11. As in previous years, meetings of the Licensing & Regulatory Committee and its Sub-Committees have not been scheduled except for the initial meeting to appoint the Chair, Vice Chair and Chairs of the Sub-Committee. The first meeting of the Licensing & Regulatory Committee on 28 May 2024 will be combined with a training session.
12. The Standards Committee meets three times a year. The first Standards Committee for the Municipal Year 2023/24 is expected to be brief taking place on 4 June 2024.
13. The Employment Committee meets quarterly.
14. As was achieved last year, effort has been made to avoid school holidays where possible. However, this is difficult to achieve in totality especially if numerous meetings being held in the same week is to be avoided. It is hoped that the correct balance has been achieved.
15. It is being suggested that the Executive meeting in October 2024 is confirmed rather than remaining provisions. However, this meeting will only proceed if there is sufficient business to warrant it being held.
16. The proposed Calendar includes indicative dates for meetings at the start of the 2025/26 Municipal Year to assist with planning for future business. These dates will be confirmed as part of the Calendar of Meetings for 2025/26, subject to any revisions.
17. Amendments to the Calendar may be made at any time in the course of the year, in consultation with the relevant Chair, and any such changes will be publicly notified as and when these occur. However, given the difficulties of rescheduling meetings, and the notice of meetings provided by this calendar, it is hoped that any such changes would be a rarity and that all Members will take note of these dates at the point the calendar is approved by Council.

Agenda Item 6c

Legal Implications
18. There are no legal implications
Financial Implications
19. There are no financial implications.
Equalities Implications
20. Consideration has been given to avoiding meeting dates in Surrey school holidays, where possible.
Communication Implications
21. Automatic notification of meetings to Members using the ModGov system has been ceased after this caused multiple notifications and confusion. All scheduled meetings will be sent via Outlook Calendars to officers and Members and be listed in the Centralised diary.
22. Scheduled meetings will be available to view on the Council's website. Any changes will be publicly notified as and when they occur.
23. A public notice of meetings is provided on the noticeboard outside the Town Hall as is legally required.
24. The request by Group Leaders that notification be provided to candidates of mandatory training dates for Planning and Licensing will be addressed. How this is best fulfilled will be carefully considered.
Consultation
25. All members of the Management Team have reviewed the draft schedule. As a result, the sequence of meetings was specifically scrutinised to see if this could be further optimised. It was established that the current phasing of meetings is required to allow officers sufficient time to produce reports and to allow these to progress correctly through the meeting cycle.
26. The Corporate Governance Group (officer group) was consulted at its meetings on 13 December 2023.
27. The Group Leaders' and Leader's meetings were consulted at their meetings both held on 15 January 2024.
28. Any comments by the Overview and Scrutiny Committee from its meeting on 25 January 2024 will be reported to the Executive on 1 February 2024.
29. The final Calendar of Meetings 2023/24 is subject to the approval of Council at its meeting on 20 February 2024.

Annex 1

- | |
|--|
| 1. Annex 1 – Draft Calendar of Meetings 2023/24 dates. |
|--|

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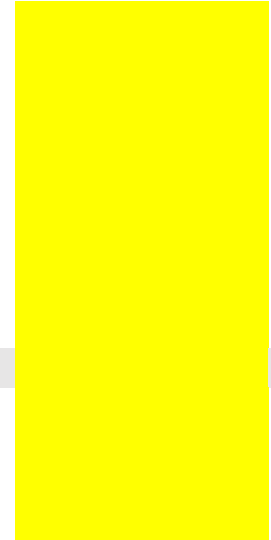
MONTH	DATE	DAY	COMMITTEE	START TIME	SCHOOL HOLIDAYS	NOTES	
2024	1	Monday				BANK HOLIDAY (Easter Monday)	
	2	Tuesday					
	3	Wednesday	PLANNING COMMITTEE	7:30pm			
	4	Thursday					
	5	Friday					
	8	Monday				SCHOOL HOLIDAY	
	9	Tuesday					
	10	Wednesday					
	11	Thursday					
	12	Friday					
	15	Monday					
	16	Tuesday					
	17	Wednesday					
	18	Thursday					
	19	Friday					
	22	Monday					
	23	Tuesday					
	24	Wednesday	PLANNING COMMITTEE	7:30pm			
	25	Thursday					
	26	Friday					
	29	Monday					
	30	Tuesday					
	April	1	Wednesday				
		2	Thursday				POLLING DAY - MAY 2024 ELECTIONS (PCC/ BOROUGH)
		3	Friday				
		6	Monday				BANK HOLIDAY (May Day)
		7	Tuesday				
		8	Wednesday				
		9	Thursday				
		10	Friday				
13		Monday					
14		Tuesday					
15		Wednesday					
16		Thursday					
17		Friday					
20		Monday					
21		Tuesday					
22		Wednesday					
23		Thursday	COUNCIL (ANNUAL) (1)	7:30pm			
24	Friday						
27	Monday				BANK HOLIDAY (Spring)		
28	Tuesday	LICENSING & REGULATORY COMMITTEE (1)	7:30pm				
29	Wednesday				SCHOOL HOLIDAY		
30	Thursday						
31	Friday						
May	3	Monday					
	4	Tuesday	STANDARDS COMMITTEE (1)	7:30pm			
	5	Wednesday	PLANNING COMMITTEE (1)	7:30pm			

June	6	Thursday		
	7	Friday		
	10	Monday		
	11	Tuesday		
	12	Wednesday		
	13	Thursday	OVERVIEW & SCRUTINY COMMITTEE (1)	7:30pm
	14	Friday		
	17	Monday		
	18	Tuesday		
	19	Wednesday		
	20	Thursday	PSTESC (1) EXECUTIVE (1)	6:30pm 7:30PM
	21	Friday		
	24	Monday		
	25	Tuesday	EMPLOYMENT COMMITTEE (1)	7:30pm
26	Wednesday	PLANNING COMMITTEE (2)		
27	Thursday			
28	Friday			
July	1	Monday		
	2	Tuesday		
	3	Wednesday	AUDIT COMMITTEE (1)	7:30pm
	4	Thursday	OVERVIEW & SCRUTINY COMMITTEE (2)	
	5	Friday		
	8	Monday		
	9	Tuesday		
	10	Wednesday		
	11	Thursday	PSTESC (2) EXECUTIVE (2)	7:30pm
	12	Friday		
	15	Monday		
	16	Tuesday		
	17	Wednesday		
	18	Thursday	COUNCIL (2)	7:30pm
	19	Friday		
	22	Monday		
	23	Tuesday		
24	Wednesday	PLANNING COMMITTEE (3)		
25	Thursday			
26	Friday			
29	Monday			
30	Tuesday			
31	Wednesday			
	1	Thursday		
	2	Friday		
	5	Monday		
	6	Tuesday		
	7	Wednesday		
	8	Thursday		
	9	Friday		
	12	Monday		

SCHOOL HOLIDAY

13 Tuesday
 14 Wednesday
 15 Thursday
 16 Friday
 19 Monday
 20 Tuesday
 21 Wednesday
 22 Thursday
 23 Friday
 26 Monday
 27 Tuesday
 28 Wednesday
 29 Thursday
 30 Friday

August



BANK HOLIDAY (August)

2 Monday
 3 Tuesday
 4 Wednesday **PLANNING COMMITTEE (4)** 7:30pm
 5 Thursday
 6 Friday
 9 Monday
 10 Tuesday **EMPLOYMENT COMMITTEE (2)** 7:30pm
 11 Wednesday
AUDIT COMMITTEE (2) 7:30pm
 12 Thursday **OVERVIEW & SCRUTINY COMMITTEE (3)** 7:30pm
 13 Friday
 16 Monday
 17 Tuesday
 18 Wednesday
 19 Thursday **PSTESC (3)** 6:30pm
EXECUTIVE (3) 7:30pm
 20 Friday
 23 Monday
 24 Tuesday
 25 Wednesday **PLANNING COMMITTEE (5)** 7:30pm
 26 Thursday **COUNCIL (3)** 7:30pm
 27 Friday
 30 Monday

September

1 Tuesday
 2 Wednesday
 3 Thursday
 4 Friday
 7 Monday
 8 Tuesday
 9 Wednesday
 10 Thursday **OVERVIEW & SCRUTINY COMMITTEE (4)** 7:30pm
 11 Friday
 14 Monday
 15 Tuesday
 16 Wednesday
 17 Thursday

October

18 Friday
 19 Monday
 20 Tuesday
 23 Wednesday **PLANNING COMMITTEE (6)** 7:30pm
 24 Thursday **PSTESC (4)** 6:30pm
 EXECUTIVE (4) 7:30pm
 25 Friday
 28 Monday
 29 Tuesday
 30 Wednesday
 31 Thursday

SCHOOL HOLIDAY

November

1 Friday
 4 Monday
 5 Tuesday **STANDARDS COMMITTEE (2)** 7:30pm
 6 Wednesday
 7 Thursday
 8 Friday
 11 Monday
 12 Tuesday
 13 Wednesday
 14 Thursday **PSTESC (5)** 6:30pm
 EXECUTIVE (5) 7:30pm
 15 Friday
 18 Monday
 19 Tuesday
 20 Wednesday **PLANNING COMMITTEE (7)** 7:30pm
 21 Thursday
 22 Friday
 25 Monday
 26 Tuesday
 27 Wednesday **BUDGET SCRUTINY REVIEW PANEL (1)** 7:30pm
 28 Thursday **COUNCIL (4)** 7:30pm
 29 Friday

2 Monday
 3 Tuesday
 4 Wednesday **AUDIT COMMITTEE (3)** 7:30pm
 5 Thursday **OVERVIEW & SCRUTINY COMMITTEE (5)** 7:30pm
 6 Friday
 9 Monday
 10 Tuesday
 11 Wednesday **PLANNING COMMITTEE (8)** 7:30pm
 12 Thursday **PSTESC (6)** 6:30pm
 EXECUTIVE (6) 7:30pm

December

13 Friday
 16 Monday **LEADER'S MEETING** 6:30pm
 17 Tuesday
 18 Wednesday
 19 Thursday
 20 Friday
 23 Monday

2025	24	Tuesday			
	25	Wednesday		BANK HOLIDAY (Christmas Day)	
	26	Thursday		BANK HOLIDAY (Boxing Day)	
	27	Friday		SCHOOL HOLIDAY	
	30	Monday			
	31	Tuesday			
	January	1	Wednesday		BANK HOLIDAY (New Years Day)
		2	Thursday		
		3	Friday		
		6	Monday		
		7	Tuesday		
		8	Wednesday		
		9	Thursday		
		10	Friday		
		13	Monday		
		14	Tuesday		
15		Wednesday	PLANNING COMMITTEE (9)	7:30pm	
16		Thursday			
17		Friday			
20		Monday			
21		Tuesday	EMPLOYMENT COMMITTEE (3)		
22		Wednesday			
23		Thursday	OVERVIEW & SCRUTINY COMMITTEE (6)	7:30pm	
24		Friday			
27		Monday			
28	Tuesday		7:30pm		
29	Wednesday				
30	Thursday	PSTESC (7) EXECUTIVE (7)			
31	Friday				
February	3	Monday			
	4	Tuesday			
	5	Wednesday	PLANNING COMMITTEE (10)	7:30pm	
	6	Thursday			
	7	Friday			
	10	Monday			
	11	Tuesday			
	12	Wednesday			
	13	Thursday	COUNCIL (BUDGET) (5)	7:30pm	
	14	Friday			
	17	Monday			
	18	Tuesday			
	19	Wednesday		SCHOOL HOLIDAY	
	20	Thursday			
	21	Friday			
24	Monday				
25	Tuesday				
26	Wednesday				
27	Thursday	OVERVIEW & SCRUTINY COMMITTEE (7)	7:30pm		

March

28	Friday		
3	Monday		
4	Tuesday	STANDARDS COMMITTEE (3)	7:30pm
5	Wednesday	PLANNING COMMITTEE (11)	7:30pm
6	Thursday		
7	Friday		
10	Monday		
11	Tuesday		
12	Wednesday	AUDIT COMMITTEE (4)	7:30pm
13	Thursday	OVERVIEW & SCRUTINY COMMITTEE (8)	7:30pm
14	Friday		
17	Monday		
18	Tuesday		
19	Wednesday		
20	Thursday	PSTESC (8)	6:30pm
		EXECUTIVE (8)	7:30pm
21	Friday		
24	Monday		
25	Tuesday	EMPLOYMENT COMMITTEE (4)	7:30pm
26	Wednesday	PLANNING COMMITTEE (12)	7:30pm
27	Thursday	COUNCIL (6)	7:30pm
28	Friday		
31	Monday		

April

1	Tuesday		
2	Wednesday		
3	Thursday		
4	Friday		SCHOOL HOLIDAY
7	Monday		
8	Tuesday		
9	Wednesday		
10	Thursday		
11	Friday		
14	Monday		
15	Tuesday		
16	Wednesday		
17	Thursday		
18	Friday		BANK HOLIDAY (Good Friday)
21	Monday		BANK HOLIDAY (Easter Monday)
22	Tuesday		
23	Wednesday	PLANNING COMMITTEE (13)	7:30pm
24	Thursday		
25	Friday		
28	Monday		
29	Tuesday		
30	Wednesday		
1	Thursday		POLLING DAY - MAY 2025 ELECTIONS (PCC/BOROUGH)
2	Friday		
5	Monday		BANK HOLIDAY (May Day)
6	Tuesday		
7	Wednesday		

May

8 Thursday
 9 Friday
 12 Monday
 13 Tuesday
 14 Wednesday
 15 Thursday
 16 Friday
 19 Monday
 20 Tuesday
 21 Wednesday
 22 Thursday *COUNCIL (ANNUAL) (1) PROVISIONAL* 7:30pm
 23 Friday
 26 Monday
 27 Tuesday *LICENSING REGULATORY COMMITTEE (1) PROVISIONAL* 7:30pm
 28 Wednesday
 29 Thursday
 30 Friday

BANK HOLIDAY (Spring)
SCHOOL HOLIDAY

June

2 Monday
 3 Tuesday *STANDARDS COMMITTEE (1) PROVISIONAL* 7:30pm
 4 Wednesday *PLANNING COMMITTEE (1) PROVISIONAL* 7:30pm
 5 Thursday
 6 Friday
 9 Monday
 10 Tuesday
 11 Wednesday 7:30pm
 12 Thursday *OVERVIEW & SCRUTINY COMMITTEE (1) PROVISIONAL* 7:30pm
 13 Friday
 16 Monday
 17 Tuesday
 18 Wednesday
 19 Thursday *PSTESC (1) PROVISIONAL* 6:30pm
 EXECUTIVE (1) PROVISIONAL 7:30pm
 20 Friday
 23 Monday
 24 Tuesday *EMPLOYMENT COMMITTEE (1) PROVISIONAL* 7:30pm
 25 Wednesday
 26 Thursday
 27 Friday
 30 Monday

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Recommendations from Executive – 1 February 2024

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Calendar of Meetings 2024/25

The Calendar of Meetings for 2024/25 drew on the pattern of meetings from previous municipal years. It has been designed to ensure all business is achieved as efficiently as possible. The draft Calendar of Meetings for 2024/25 has been subject to a full consultation process having been considered by Group Leaders' and Leader's meetings both held on 15 January 2024. The Executive was asked to consider, and recommend to Council, the draft Calendar of Meetings for the 2024/25 Municipal Year. The calendar of meetings was subject to approval by Council in February.

Councillor Essex thanked officers for preparing this, commending the fact that there were no meetings in school holidays.

RESOLVED that the Executive

recommends to Council, the draft Calendar of meetings for the 2024/25 Municipal Year.

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Agenda Item 8



Signed off by	Mari Roberts-Wood Managing Director & Head of Paid Service
Author	Kate Brown, Head of Organisational Development
Telephone	Tel: 01737 276092
Email	kate.brown@reigate-banstead.gov.uk
To	Employment Committee Full Council
Date	Tuesday, 30 January 2024 Tuesday, 20 February 2024
Executive Member	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation

Key Decision Required	N
Wards Affected	N/A

Subject	Pay Policy Statement for 2024/25
----------------	---

Recommendations
<p>That Employment Committee:</p> <p>(i) Note the report for recommendation to Full Council of the Pay Policy Statement for the year 2024/25;</p> <p>That Council</p> <p>(i) Approve the Pay Policy Statement for 2024/25.</p>
Reasons for Recommendations
<p>To ensure that the Council complies with the requirement in the Localism Act 2011, to approve and publish an annual Pay Policy Statement, in advance of the financial year to which it relates.</p>

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Executive Summary
<p>The Pay Policy Statement sets out how the Council determines appropriate employee remuneration, in terms of salary and performance related pay.</p> <p>Statistical information provided within the Statement demonstrates the relationship of remuneration between different levels of employees, from Chief Officers to the lowest paid employees.</p> <p>The Pay Policy Statement reaffirms the Council's ongoing commitment to paying a fair and real living wage to all employees and workers, above national minimum wage levels.</p>
The above recommendations are subject to approval by Full Council.

Statutory Powers
<ol style="list-style-type: none">1. The Localism Act 2011 ('the Act') provisions in relation to 'Pay Accountability' set out the requirements for Councils to determine and publish annual Pay Policy Statements.2. Relevant authorities are required by section 38(1) of the Act to prepare Pay Policy Statements. These statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly its most senior staff (or 'Chief Officers') and its lowest paid employees.3. The Act defines remuneration widely, to include not only pay but also includes charges, fees, allowances, increases, enhancements of pension entitlements and termination payments paid to employees.4. Government guidance, "<i>Openness and accountability in local pay: Guidance under section 40 of the Localism Act</i>" (plus any supplementary guidance issued from time to time) sets out the key policy principles that underpin the pay accountability provisions in the Act.5. Pay Policy Statements must be prepared for each financial year and must be approved by the Council.
Background
<ol style="list-style-type: none">6. The Pay Policy Statement must be approved by the Council in advance of the financial year to which it relates.7. The Council must publish the Statement on its website and may choose to expand the publication in other ways as part of its approach towards transparency.
Key Information
<ol style="list-style-type: none">8. The Pay Policy Statement must set out the Council's policies relating to:

Agenda Item 8

- Chief Officer remuneration,
 - Remuneration of its lowest paid employees plus the definition used for this group and the reason for adopting that definition,
 - The relationship between Chief Officer remuneration and that of other staff
9. For the purposes of the Statement, for this authority 'Chief Officer' roles include four positions, comprising the Head of Paid Service, the two Statutory Chief Officers (Monitoring Officer and Section 151 Officer) and the other Non-Statutory Chief Officer (Director role that reports directly to the Head of Paid Service).
10. The Pay Policy Statement sets out the Council's commitment to paying a fair wage to all, regardless of employment status.
11. Statistical and salary data is correct as at 1 January 2024.

Options

12. Employment Committee and Council have two options:

Option 1: To accept the content of this report and the Pay Policy Statement for 2024/25.

This is the recommended option and will ensure that the Council complies with the requirements of the Localism Act 2011.

Option 2: To reject the Pay Policy Statement.

This option is not recommended; it would put the Council at risk by not complying with the requirements of the Localism Act 2011.

Legal Implications

13. There are no adverse legal implications arising from this Policy Statement other than those set out in the body of this report or the Statement itself.

Financial Implications

14. There are no financial implications arising from the Policy Statement other than those set out in the Statement itself.
15. At the meeting of the Employment Committee on 12 September 2023, when an early draft of the 2024/2025 Pay Policy was discussed, Members requested an explanation of the pay budget increase between 2022/23 and 2023/4:
16. The increase in the total pay budget between 2022/23 and 2023/24 was £2.700 million, comprising:
- £1.500m budget growth for the 2023/24 pay award;

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- £1.890m increase in the budget for Employer Pension Costs (secondary pension contribution)
- (£0.150m) budget saving from the establishment of a Vacancy Turnover assumption;
- (£0.100m) budget saving for deletion of unused budget allocated to fund the 2022/23 pay award;
- (£0.300m) net saving from deletion of vacant posts and other minor adjustments to service pay budgets; and
- (£0.100m) saving from planned restructure of the OD & HR team.

Equalities Implications

17. There are no adverse equalities implications arising from the Pay Policy Statement, which confirms that the Council's approach to pay helps to mitigate equal pay risks.
18. Equality Impact Assessments are considered at every stage of reviewing the Council's approach to pay or policy that may impact on remuneration.

Communication Implications

19. Following approval, the Pay Policy Statement is published annually on the Council's website and internal intranet.

Environmental Sustainability Implications

20. The Council is committed to taking action to address environmental sustainability and climate change issues. No environmental sustainability implications have been identified associated with the Pay Policy Statement.

Risk Management Considerations

21. The Council's strategic risk register includes risks SR1 (Financial Sustainability) and SR4 (Organisational Capacity & Culture) which have associated implications for on delivery of the Pay Policy Statement.

Human Resources Implications

22. There are no additional HR resource implications to consider arising from the Pay Policy Statement. Existing budgeted HR resource is utilised to apply the pay conditions outlined in the Statement and support Senior Management Team and managers implement the Council's terms and conditions of employment.

Consultation

23. Representatives from the two Unions the Council recognises; Unison and GMB, have been consulted on the Pay Policy Statement.
24. Employment Committee has been consulted on the Pay Policy Statement.

Policy Framework

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25. The Pay Policy Statement sets out the Council's approach to remuneration and therefore plays a role in helping attract and retain talented, high performing employees.
26. The Statement directly and indirectly supports delivery of the Council's Corporate Plan, by ensuring that the Council (councillors and officers) has the right skills to deliver the plan, through attraction, retention and reward.

Background Papers

- None

ANNEXES

1. Pay Policy Statement 2024/25

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Pay Policy Statement 2024/2025

This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency regarding the Council's approach to setting the pay of its employees.

Reigate and Banstead Borough Council provides a wide range of services to around 150,900¹ residents, as well as visitors and businesses in the Borough. To be able to provide these services, we depend on our employees.

As of 1 January 2024,, we engaged 524 directly employed permanent or fixed term employees. 55% were male and 45% female.

We also engaged 100 casual workers².

Background

The Council opted out of the terms and conditions of employment operated by the National Joint Council (NJC) for Local Government Services in 2003, and since then has adopted local terms and conditions of employment.

The local paycales cover all employees of the Council (including Chief Officers as defined below) and was approved by the Council following negotiation with relevant bodies in 2002/3.

As required by law, the Council auto enrols all eligible employees into a pension scheme - the Local Government Pension Scheme (LGPS).

Relative to other parts of the country, the borough is expensive to move to and live in. The Council also operates in a competitive local recruitment market made more challenging by the proximity to London and large local employers.

¹ 2021 Census data

² Casual workers are people who would work for us on an 'as and when' basis when required, normally paid an hourly rate

Competition for some specialist roles remains high nationally and with our neighbouring Local Authorities, competing for the same skills and experience.

Post-Covid the market has become even more competitive as more employers offer hybrid/home working. Although turnover has fallen from peak levels in 2022/23, employee retention remains a priority for the organisation. Actions to address retention have been identified as part of the Organisational Development and Human Resources workplan. The staff survey (running in early 2024) is also likely to provide additional data and feedback for Management Team to consider in terms of employee retention, influencing relevant workplans and priorities.

Aims of the Council’s approach to pay and reward

The Council is mindful of the following five aims in its approach to pay and reward. We want to:

- 1) Recruit and retain appropriately experienced and qualified people;
- 2) Be an employer of choice;
- 3) Provide reward and recognition of high organisational performance at individual and team levels;
- 4) Maintain cost effectiveness and provide value for money; and
- 5) Comply with equal pay legislation.

Salary Budget

The Council’s base revenue salary budget continues to be well managed and is built each year to reflect the resource required to deliver our ambitious corporate plan priorities.

Year	Salary Budget ¹	FTE (from budget reports) ³
2024/25	£29.2m ²	535.0
2023/24	£27.6m	530.0
2022/23	£24.9m	533.6
2021/22	£23.5m	534.0
2020/21	£28.5m ⁴	534.0
2019/20	£22.1m	487.5
2018/19	£19.5m	485.1

2017/18	£19.5m	483.0
2016/17	£18.6m	-
2015/16	£18.0m	-

1. Source: Annual Budget Book
2. Subject to 2024/25 Full Council budget approval
3. FTE figures were not included in published budget data prior to 2017/18.
4. A £6.2m one-off employer's pension contribution was made in 2020/21

The salary budget is set taking into account various factors, including the two elements considered when reviewing employee pay:

- An annually reviewed **organisational pay award** paid to employees which recognises (but is not directly linked to) cost of living and overall organisational performance. This can be a consolidated award (percentage or fixed value increase), a non-consolidated award (based on a percentage or fixed value) or a mixture of both.
- An incremental pay increase and/or bonus may be awarded for individual performance, based on the appraisal schemes detailed below ('Components of Employee Total Reward').

Organisational Pay Award

The organisational pay award is usually reviewed annually, and where applicable, pay negotiations are held between the Council's management, any staff association representatives, and recognised trade unions. Longer term awards may be negotiated by agreement.

These negotiations take into consideration a range of factors; including (but not limited to) the following:

- Results of external pay benchmarking to ensure the Council is able to recruit and retain appropriately experienced and qualified employees; that it remains competitive and an employer of choice within Surrey and the immediate surrounding area (including the close proximity to London)
- Recruitment and retention trends. e.g., turnover and identification of skill types or service areas where recruitment is difficult
- The nature and level of other benefits (i.e., non-salary) provided to employees
- The level of the national 'Real Living Wage', and statutory National Minimum Wage rates
- The wider economic environment and affordability.

Real Living Wage

The Council has committed to ensuring the pay rates of apprentices, casual workers and pay scales of employees mirror the national 'Real Living Wage' as determined by the Living Wage Foundation³, as a minimum level of pay. From 1 April 2024 the minimum pay rate the Council will pay, will be £12 per hour. This commitment also applies to workers in any companies that the Council owns and operates.

The Council has reviewed the official accreditation requirements set by the Living Wage Foundation and is confident requirements for our directly employed staff are met. To be officially recognised as an accredited Real Living Wage employer, we also need to formally review the pay arrangements of our contracted services to ensure compliance. Once complete, official accreditation can be applied for if required.

Definition and remuneration of Chief Officers

The Council's senior management team consists of 17 officer roles; four of whom are considered to be Chief Officers for the purposes of this policy statement, under the definition in the Localism Act 2011 and the Local Government and Housing Act 1989:

- Statutory Officer, Head of Paid Service role (Managing Director)
- Non-Statutory Officer, reporting to Head of Paid Service (Director)
- Statutory Officer, Section 151 Officer role (Chief Finance Officer)
- Statutory Officer, Monitoring Officer role (Strategic Head of Legal & Governance)

Where any role listed above is vacant at time of reporting, the midpoint of the salary range will be used for the purposes of reporting in this document.

As of 1 January 2024, the average salary of the four Chief Officers is £113,576, which now includes the adjustments to remuneration applied for the statutory officer roles/duties – see explanation below 'Exceptional Increases and Additions to Remuneration for Chief Officers'.

Including the salaries of the thirteen other officer roles which make up the wider senior management team of the Council, the average salary then becomes £82,939.

In 2022, the remuneration of the Chief Officers was confirmed through an external job evaluation and pay benchmarking exercise.

³ The Living Wage Foundation is a campaigning organisation in the United Kingdom which aims to persuade employers to pay a living wage. The organisation was established in 2011, publishes an annual Living Wage figure and for a fee accredits employers who pay at the rate of the "living wage".

Definition and remuneration of lowest paid employees

To enable meaningful comparison, the Council looks at full time equivalent salaries for this definition. The lowest paid employees are on Administrative 3, Operative 3, or Apprentice grades. These employees include (but not limited to): Support Assistants, Box Office Assistants, Streetsweeper-Drivers and Grounds Maintenance Operatives. As of 1 April 2023, the bottom point on the payscale for full time work was £20,823 (£10.90 per hour); part-time employees are paid on a pro-rata basis.

From 1 April 2024, the minimum hourly rate of pay for any direct workers such as apprentices and casual workers of the Council, will be at least UK Real Living Wage (£12 per hour), which is in excess of the statutory National Minimum Wage rates.

The relationship between Chief Officer pay and the pay of all other employees

The Council pays all employees including Chief Officers, on the same incremental payscale structure.

Using the full-time equivalent salary, the average pay for employees other than Chief Officers is £33,238.

Using the full-time equivalent salary, the average pay for Chief Officers is £113,576.

The ratio of Chief Officers' pay to the average pay of other employees is 3.4 : 1.

The ratio of the pay of the highest paid earner - the Head of Paid Service, to the pay of the lowest paid employee is 5.5 : 1.

Components of employee total reward

The total reward package for all employees (including Chief Officers) comprises of salary, Local Government Pension Scheme employer contribution (where the employee has not opted out), enhanced holiday entitlement (in excess of statutory requirements), enhanced sick pay (in excess of statutory requirements), enhanced maternity/paternity leave and pay (in excess of statutory requirements), adoption leave, shared parental/parental leave and pay, free parking (where allocated), agile working benefits and other standard elements of contractual remuneration required in law.

All eligible employees⁴ have the opportunity to take advantage of a number of salary sacrifice schemes including Childcare Vouchers, Cycle to Work salary sacrifice scheme and Leisure

⁴ Childcare vouchers are only available for staff who joined prior to September 2018

Centre membership, and benefit from discounts on shopping, entertainment, and holidays through the employee benefits schemes.

All employees (including Chief Officers) are subject to an annual assessment of their performance, and where performance meets the appropriate standard, a contractual increment will be given, until the maximum of the applicable grade for the role is reached (individual performance award).

For Chief Officers and members of the senior management team, the performance appraisal scheme results in one of five levels of rating; Outstanding Performer, Very Good Achiever, Good Achiever, Effective Manager, Improvement Required. A rating in one of the top three categories can result in a bonus of either 10%, 5% or 2.5% (according to the rating) and can also result in an incremental increase within the pay scale, up to the maximum point for the role. (N.B. the middle rating results in either an increment or bonus – not both.)

For all other employees, the performance appraisal scheme results in one of four levels of rating; Outstanding Performer, Consistently High Performer, Good or Not at Required Standard. A rating of Outstanding Performer or Consistently High Performer can result in an incremental increase within the pay scale, up to the maximum point for the role. Employees who receive an Outstanding Performer rating receive a non-consolidated bonus of 2.5%, or 3% if at the maximum point for the role.

Annually staff may also be eligible to 'jump the bar', which enables employees to progress to the next competency level in their pay scale. Staff and managers are required to demonstrate/evidence the advancing or advanced characteristics at the level above the current progression level as described in individual's role profiles which is assessed against the required competency characteristics/framework. This may result in an incremental increase.

Remuneration of employees on appointment

As is the case in the appointment of new employees across the Council, Chief Officers are generally appointed towards the bottom of the grade for the role or at a market level of pay negotiated on appointment.

In line with the constitution, approval of pay on appointment is made by the Head of Paid Service or officer(s) nominated by them. For external candidates, the appointment of the Head of Paid Service, Section 151 Officer, and Monitoring Officer is through recommendation from the Employment Committee to Full Council for ratification. Where an existing officer at the Council is considered for a statutory officer role, the designation is a matter for Full Council, decision after the proposed designation has been discussed informally with the Employment Committee. The appointment of Directors (Non-Statutory Officers reporting directly to the Head of Paid Service) is made by the Employment Committee.

Assessing the gender pay gap

The gender pay gap is the difference in the average hourly wage of all men and women across a workforce.

The gender pay gap is not the same as unequal pay, which is paying men and women differently for performing the same (or similar) work. Unequal pay has been unlawful since 1970.

A gender pay gap does not necessarily indicate the existence of an equal pay problem, albeit a gender pay gap may be a trigger for further investigation about the reasons why the gap exists.

The Council's ability to use a formal job evaluation process, use of structured payscales, and defined processes and procedures to award performance pay increases, limits inequality in pay for roles of similar value, between the genders. As the Council has over 250 employees, by law we must publish and report specific figures around our gender pay gap as of 31 March of each year (relating to the previous year's data).

Each year, the Council's gender pay gap figures are compared against preceding year and examined to identify if there is an inequitable cause of a significant gap between genders, which may need addressing.

Our gender pay gap figures continue to show that we do have a gap in terms of 'average hourly pay', but it is a gap in the favour of women - we are among a small percentage of organisations who, on average, pay women more. The gap is largely due to our demographics: females substantially underrepresented in operative roles but slightly over represented in senior roles.

The gender pay gap reports can be found via the Councils website: https://www.reigate-banstead.gov.uk/info/20091/organisation_and_services/737/open_data_transparency

Exceptional increases and additions to remuneration for Chief Officers

The Head of Paid Service (or another nominated senior officer) receives additional payments for election duties when acting as Returning Officer or Acting Returning Officer. Some of these payments made will be funded by the Government or Surrey County Council, depending on the type of election. For local elections, the Returning Officer fees are paid by the Council. The Returning Officer or Acting Returning Officer is able to make payments to any Deputy they appoint.

The Head of Paid Service, Section 151 Officer and Monitoring Officer job descriptions and associated grades include remuneration for the additional statutory duties and responsibilities

delivered⁵. If deputies are required, an honorarium payment (up to 10% of salary per annum) can be made in recognition of additional duties required.

The use of market supplements, honoraria and one-off payments

In a few cases the Council also pays market supplements to specific groups of employees where there is evidence that the pay scale determined for the role is significantly out of alignment with the pay market, and / or where there is difficulty recruiting and retaining employees. These payments are non-contractual, and currently apply to a total of four positions in Development Management (Senior Planning Officers).

The Head of Service for OD & HR, Chief Finance Officer and Chair of the Employment Committee are consulted on the application of any new market supplements, as per the Constitution. Other payments as described below are approved by Officers through delegated authority outlined in the constitution.

On occasion, temporary honorarium payments are paid to employees, when they carry out additional roles or other duties at a higher level e.g., providing cover for a higher graded colleague while they are on maternity leave.

There are also specific conditions for one-off bonus payments, which provide incentive and rewards for specific and exceptional achievements, such as the following:

- For delivering one-off projects clearly outside the responsibilities of the job
- For successfully carrying out something which was exceptionally difficult, or working to a much higher level for a temporary period of time
- For working unusually long or inconvenient hours because of a particular problem

Chief Officers' payments on ceasing to hold Office

Chief Officers who leave the Council's employment, may receive exit payments above contractually agreed limits in exceptional circumstances only in line with the Council's procedure for approving exit payments. These are subject to the consultation with the Head of Paid Service, Section 151 Officer (or delegated official if the compensation relates to either role) and Monitoring Officer where applicable.

There is a prescribed arrangement for settlement payments approval in consultation with the Employment Committee:

- Settlement payments of £100,000 and above must ultimately be approved by a vote of full council, as set out in the Localism Act 2011;

⁵ A description of the functions of each statutory officer is provided under Article 13 of Part 2 of the [Council's Constitution](#).

- Settlement payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment;
- Settlement payments below £20,000 must be approved according to the local authority's scheme of delegation.

Publication and access to information relating to remuneration of Chief Officers

A summary of Chief Officers' pay is published as part of the Council's annual statement of accounts and is available via the Council's website: http://www.reigate-banstead.gov.uk/info/20210/finance/268/annual_financial_reports

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Signed off by	Managing Director
Author	Alex Vine, Democratic and Electoral Services Manager
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To	Full Council
Date	20 February 2024
Executive Member	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation

Key Decision Required	No
Wards Affected	(All Wards);

Subject	Constitution update: delegated authority to declare casual vacancies
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Recommendation
To amend the Constitution to include a delegation within the Officer Scheme of Delegation for the Managing Director to declare a casual vacancy under Section 86 of the Local Government Act 1972.
Reasons for Recommendations
A delegation for an officer to declare casual vacancies will offer greater flexibility in commencing the electoral process on the occasion of a vacancy, which will either enable by-elections to be combined with other elections where possible; or, avoid unnecessary costs and risks associated with convening an extraordinary Council meeting to declare the vacancy or conduct a standalone by-election.
Executive Summary
In the event of a casual vacancy (for example, arising from the resignation of a councillor), the local authority must declare the office to be vacant under Section 86 of the Local Government Act 1972, following which a Notice of Vacancy must be published 'as soon as practicable'.
In the absence of a delegation to declare a vacancy, this power is currently reserved to the Full Council, however the frequency of ordinary (scheduled) Council meetings may not always align with –

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- a) the occasion of a vacancy, such that it can be declared as soon as practicable; or,
- b) the period for a Notice of Election to be published, such that a by-election can be held on the same date as scheduled elections.

The effect of the current arrangement may result in an Extraordinary Meeting of the Council being required at short notice to declare a casual vacancy; or, require a by-election to be called on another date other than scheduled elections, which may be costly and disruptive to the efficient delivery of those elections.

The above recommendations are subject to approval by Full Council.

Statutory Powers

1. Section 86 of the Local Government Act 1972 requires that local authorities must declare a vacancy of office whereby a member of a local authority either ceases to be a elected member of the authority.
2. The authority to declare a vacancy of office is not currently delegated to an officer under the Council's Constitution, and therefore the responsibility for this function is reserved to the Full Council.
3. The Council may amend its Constitution to delegate this function to a Proper Officer. This may, for example, be the Managing Director of the local authority. Such a delegation is in place within the constitutions of the borough councils of Elmbridge, Woking, Mid-Sussex, Adur & Worthing, and the London Borough of Merton, to name a few. This type of delegation was also recommended by the Association of Electoral Administrators as part of a presentation at the Annual Conference in 2023.

Background

How casual vacancies occur

4. A casual vacancy occurs when an elected member ceases to be an elected member as a result of, for example, their death, resignation, becoming disqualified, or being no longer qualified to remain elected.
5. When a casual vacancy occurs, usually, but not always, it will lead to a by-election.

Resignation

6. An elected member can resign at any time by giving written notice of their resignation to the Proper Officer (the Managing Director) of the authority. The resignation takes effect as soon as the notice of resignation is received, and this is the date that the casual vacancy is deemed to have occurred. There is no provision for a resignation to be withdrawn once it is given.

Key Information

The date a casual vacancy is deemed to have occurred

7. The following table provides a summary of the reasons a casual vacancy can occur and of the date the vacancy is deemed to have occurred in each case.

Reason for Vacancy	Date the casual vacancy is deemed to have occurred
Death of an elected member	The date of death of the councillor.
Resignation	Date the written resignation is received by the Proper Officer.
Failure to accept office - Principal area council	Two months after polling day
Failure to attend meetings	Date the local authority declare the elected member has failed to attend meetings for six months.
Otherwise disqualified or no longer qualified	Date that a High Court or local authority declares that an elected member is disqualified or is no longer qualified. Or if after a conviction, when the time period for an appeal has elapsed or, if an appeal is made, when the appeal is dismissed.
Election court decision	Date of the certificate by an election court that the election was void.

Notice of Vacancy

8. The local authority is required to publish a public notice whenever there is a casual vacancy.
9. The notice of vacancy must be published immediately where the authority has declared the seat vacant because of a failure to attend meetings or because a councillor has become disqualified or ceases to be qualified.
10. In all other cases (e.g. resignation) the notice should be published as soon as practicable after the date on which the vacancy is deemed to have occurred.

Requests to hold a by-election

11. Requests to hold a by-election to fill a casual vacancy must be made in writing by two local government electors from within the local authority area.
12. There is no need for electors to wait for the notice of vacancy to be published by the relevant authority before submitting a request for a by-election. Regardless of when

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the requests arrive, even if they arrive before the notice of vacancy is published, this triggers the start of the election timetable.

13. The requests must be sent to the Proper Officer of the authority and can be inspected by any person once they have been received.
14. There is no time limit for receiving the requests but, if the required number is not received, the seat will remain vacant.

Timing of by-elections

15. Returning Officers must fix the date of a by election to fill a casual vacancy, the timing of which will depend on whether the vacancy was caused by:
 - i. a declaration by the High Court or the local authority (e.g. as a result of failure to accept office or attend meetings, or becoming disqualified) or
 - ii. any other reason (e.g. as a result of death or resignation)
16. If a seat has been declared vacant by the High Court or the local authority, the by-election must, subject to the six-month rule, be held between 25 and 35 working days of the date of the declaration.
17. If the vacancy arose due to any other reason e.g. death or resignation, once requests to hold an election have been received, the Returning Officer must set the date for polling day for the by-election within 35 working days of the date of receipt of the requests (Section 89(1)(b), Local Government Act 1972).

Notice of Election

18. However, the requirement to publish a Notice of Election within 25 working days of a by-election polling day means that the timing of the declaration of vacancy must be made within a 25 – 35 working day ‘window’ of the intended by-election polling date.
19. For example, if two requests were received on Tuesday 12 March 2024 the election date could be set on 2 May 2024, so the by-election could be combined with other scheduled polls.
20. The last date for publication of a Notice of Election for polls on 2 May 2024 is no later than 26 March 2024. This is the last date the Returning Officer can publish the Notice to combine the vacancy with other polls. This means the window for election requests for a principal area by-election to be held on 2 May 2024 is between 12 - 26 March 2024.
21. The last Council meeting before the elections on 2 May 2024 is scheduled on 28 March 2024, which is after the last date for a Notice of Election to be published coinciding with polling day on 2 May 2024.
22. Therefore, if a casual vacancy arose between 12 – 26 March, an extraordinary meeting of the Council would be required to be convened to declare the vacancy; or, the current meeting on 28 March would need to be rescheduled in order for a by-election to be requested before the last date for publication of the Notice of Election (26 March 2024).

23. In either case, this is not recommended as it would be inconvenient for Members and officers and an inefficient use of Council resources, or negatively affect reporting timescales of the meeting currently scheduled on 28 March 2024.
24. A delegation to the Monitoring Officer to declare any vacancy of office flexibly is therefore recommended to provide greater flexibility and efficiency in the electoral process.

Options

25. There are two Options:

Option 1 – to amend the Constitution in line with the recommendation. This is recommended, as the proposed change enables vacancies to be declared flexibly by officers without the requirement to convene a meeting of the Full Council. This flexibility enables the Notice of Vacancy to be published ‘as soon as practicable’, in accordance with the relevant legislation; and reduces the likelihood of a by-election being unable to be called in combination with other scheduled election. This delegation was recommended by the Association of Electoral Administrators at the Annual Conference in 2023, and such delegations are already in place in other local authority constitutions.

Option 2 – not to amend the Constitution.

This is not recommended, as casual vacancies in the lead up to elections will require an extraordinary meeting of the Council to declare the vacancy; and, the time required to convene an extraordinary meeting at short notice may prevent a by-election from being combined with other (scheduled) elections.

Legal Implications

26. There are no specific legal implications arising from the recommendation within this report, however the following statutory requirements dictate the calculation of by-election dates.
27. Section 86 of the Local Government Act 1972 requires that local authorities must declare a vacancy of office whereby a member of a local authority ceases to be an elected member of the authority.
28. Section 87 requires that “Public notice of a casual vacancy in any such office shall be given by the local authority”; and the steps below shall be taken—
 - i. in a case where the local authority declare the office to be vacant, immediately after the declaration; and
 - ii. in any other case, as soon as practicable after the date on which the vacancy is deemed to have occurred.
29. Section 89 requires that an election to fill the vacancy shall be held—
 - i. in a case in which the High Court or the council have declared the office to be vacant, within thirty-five days from the date of the declaration;

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- ii. in any other case, within thirty-five days after notice in writing of the vacancy has been given to the proper officer of the authority by two local government electors for the area.

- 30. Rule 1 of Local Elections (Principal Areas)(England and Wales) Rules 2006 requires that the Returning Officer must publish the Notice of Election not later than the twenty-fifth day before the day of the election (polling day).

Financial Implications

- 31. There are no financial implications arising from the approval of the recommendation within this report.
- 32. However, if this recommendation is not supported, the current constitutional arrangements may increase the likelihood of a by-election being held on a separate day to ordinary (scheduled) elections, with additional costs for the conduct of a standalone by-election (e.g. production of stationery, postage, rent, staffing etc).

Equalities Implications

- 33. There are no equalities implications arising from this recommendation.

Communication Implications

- 34. There are no communications implications arising from the approval of the recommendation within this report.
- 35. However, if this recommendation is not supported, the current constitutional arrangements may increase the likelihood of a by-election being held on a separate day to ordinary (scheduled) elections, which presents communication challenges in terms of managing voter confusion if there are two polling days close together.

Environmental Sustainability Implications

- 36. There are no environmental sustainability implications arising from the approval of the recommendation within this report.
- 37. However, if this recommendation is not supported, the current constitutional arrangements may increase the likelihood of a by-election being held on a separate day to ordinary (scheduled) elections, which will require additional stationery to be produced, thereby increasing the carbon footprint of conducting a by-election than if it were combined.

Risk Management Considerations

- 38. The current constitutional arrangement may increase the likelihood of a by-election being called on another date other than scheduled elections, which disruptive and presents additional risks to the efficient delivery of those elections.

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Consultation
39. Group Leaders were briefed on the recommendation and implications within this report at their meeting held on 15 January 2024.
Policy Framework
40. There are no policy framework implications arising from the recommendation within this report.
Background Papers
<ol style="list-style-type: none">1. Section 86 of the Local Government Act 1972.2. Constitution plenary presentation ('Council constitutions – why do they matter?') by Matt Box, Association of Electoral Administrators, AEA Conference 2023.

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