

Recommendations from the Executive – 19 November 2020

Minute
reference
45

*Recommendation
9 only.*

Service and Financial Planning 2021/22

The Deputy Leader and Portfolio Holder for Finance and Governance, Councillor Schofield, introduced a report setting out service and financial planning proposals for 2021/22.

Councillor Schofield explained that the revenue budget proposals for 2021/22 were based on a full and robust assessment of what the Council does and how it does it by the Executive and the Management Team. The proposals allowed for the continued provision of high-quality services. Councillor Schofield noted that the net £812,000 revenue budget growth proposals were offset by savings of just over £2 million and a small call on earmarked reserves. There was a requirement to draw just over £0.5 million from the General Fund Reserve to balance the budget. Councillor Schofield explained that the savings against the Markets Service shown in annex 3 were incorrect and should be £10,000.

Councillor Schofield explained that several matters were still to be concluded. The final budget position was dependent on the outcome of the Spending Review and the Provisional Local Government Settlement. Overall, the budget position was sound, and the Council was well positioned to take advantage of commercial opportunities. However, the most significant financial risk was the ongoing impact of the Covid-19 pandemic and uncertainty about income receipts returning to pre-pandemic levels.

The five-year medium-term budget forecasts had been updated. The Medium Term Financial Plan and supporting strategies provided a solid framework for future financial planning.

In terms of Revenue Reserves, Councillor Schofield explained that they remained sufficient to support the budget proposals and mitigate Covid-19 risks. Approval was sought for the Revenues Policy in annex 6.2 of the report.

Councillor Schofield went on to outline the proposal to increase the Reigate and Banstead element of Council Tax by 1.99%, equivalent to 9 pence per week for a Band D charge.

In terms of the Capital Programme, Councillor Schofield explained that the proposals meant that 2021/22 would be a year of consolidation with modest increases and some reductions due to reprofiling of existing allocations. This would reflect updated spending plans.

The Executive were asked to confirm the continued disregard of war disablement and war widow's pensions when assessing housing benefit claims.

The Executive were asked to recommend to Council the adoption of a new council tax policy to apply a 300% council premium for properties that have been empty for more than 10 years with effect from 1 April 2021.

In response to a question from a Visiting Member about Car Parking Charges, Councillor Schofield explained that it was projected that there was currently forecast to be a loss next year as a consequence of ongoing impacts of the Covid-19 pandemic. He also confirmed that service fees and charges were still under review.

It was noted that the Chairman of the Overview and Scrutiny Committee had invited all non-Executive Members to the Budget Scrutiny Panel on 3 December 2020.

The Leader of the Council highlighted the work undertaken by officers to review vacant posts and, where deemed to be no longer necessary, these had been deleted from the budget. The Leader thanked the Portfolio Holder for Finance and Governance and the Interim Head of Finance and other officers for their work in drafting the 2021/22 proposals.

RESOLVED:

1. That the national and local policy context (Annex 1 to the report) be noted.
2. That the service proposals set out in the report which seek to respond to this context and deliver our corporate priorities, be endorsed.
3. That the draft business plans for 2021/22 to 2023/24 be approved, and that Heads of Service be authorised to finalise the plans for their service areas, in consultation with the relevant Portfolio Holders.

4. That the following be approved for consultation under the Council's budget and policy framework:
 - a. Medium Term Financial Plan Summary (Annex 2 to the report)
 - b. Revenue Budget Savings and Additional Income proposals totalling (£2.094) million (Annex 3 to the report)
 - c. Revenue Budget Growth proposals totalling £0.812 million (Annex 3 to the report)
 - d. Forecast ongoing income budget pressures in 2021/22 as a consequence of the COVID-19 pandemic totalling £1.610 million (Annex 2 to the report)
 - e. Capital Programme Growth and Reprofiling proposals resulting in a net reduction in the five-year Capital Programme of (£0.286) million (Annex 4 to the report)
 - f. Revenue Reserve Balances at 1 April 2020 of £35.391 million (Annex 6.1 to the report)
5. That the Fees & Charges Policy (Annex 5 to the report) be approved.
6. That the Reserves Policy (Annex 6.2 to the report) be approved.
7. That the Medium Term Financial Plan forecast for 2022/23 onwards (Annex 2 to the report) and proposed actions to address the forecast revenue budget gap be noted.
8. That the modified housing benefit schemes, whereby prescribed war disablement pensions and war widow's pensions are disregarded, be continued.
9. **That the Executive RECOMMENDS to the Council the adoption of a new council tax policy to apply a 300% council premium for properties that have been empty for more than 10 years with effect from 1 April 2021.**

Treasury Management Half Year Report 2020/21

The Deputy Leader and Portfolio Holder for Finance and Governance, Councillor Schofield, explained that the purpose for the Treasury Management Half Year Report was to provide an update on the performance of the Council's treasury management activities. It also provided an update from the Council's advisors and an updated outturn report.

Councillor Schofield reported that the Council complied with legislative and regulatory requirements, bar one exception which related to the Government's payment of emergency funding as part of the national covid-19 pandemic response. At short notice, it had not been possible to spread those funds across a range of banks and financial institutions as was required. This had been resolved.

Councillor Schofield explained that the Council's treasury management activity had been on track and had complied with limits that Members had previously approved. The report would be submitted for consideration to the Overview and Scrutiny Committee and to Council for noting in December.

RESOLVED to RECOMMEND to Council, that the Treasury Management Performance for the year to date, and the updated prudential indicators, be noted.

Council Tax Base 2021/2022

The Deputy Leader and Portfolio Holder for Finance and Governance, Councillor Schofield, introduced a report which proposed the Council Tax Base for the Council to adopt by the end of January 2021. The report also proposed Tax Bases for Salfords and Sidlow Parish Council and Horley Town Council.

Councillor Schofield explained that, despite strong growth expected in the area, the proposed Tax Base increase was modest due to expected increases in Council Tax support claimants as a result of the Covid-19 pandemic.

In response to a query from a Visiting Member, Councillor Schofield confirmed that there had been an increase in the number of Council Tax support claimants. A further increase was expected as a result of the second lockdown.

The Interim Head of Finance explained that the income from every household in receipt of Council Tax support was approximately 90% of a full paying household.

Due to the uncertainties that existed, an additional recommendation was proposed that would delegate authority to the Chief Financial Officer in consultation with the Deputy Leader and Portfolio Holder for Finance to make further adjustments to the final tax base where necessary to reflect any changes in the underlying assumptions and report the outcome to Executive in January.

RESOLVED:

- 1. That Executive approve a Council Tax Base for 2021/22 for the purpose of setting the Collection Fund budget of 61,354.3 Band D equivalents, this being a net increase in the Tax Base on 2020/21 of 0.37% after allowing for growth of 1.56% and an increase in local concessionary tax support as a result of COVID 19, and to RECOMMEND the Council Tax Base for 2021/22 to Council for approval.**
2. That Executive delegate authority to the Chief Financial Officer in consultation with the Deputy Leader and Portfolio Holder for Finance to make further adjustments to the final tax base where necessary to reflect any changes in the underlying assumptions and report the outcome to Executive in January.

