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TO	Executive
DATE	Thursday, 18 November 2021
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	ALL

SUBJECT:	SERVICE & FINANCIAL PLANNING 2022/23
RECOMMENDATIONS:	
<ul style="list-style-type: none"> (i) That the national and local policy context (Annex 1) and significant financial uncertainties at this stage in the budget-setting process be noted. (ii) That the service proposals set out in this report which seek to respond to this context and deliver our corporate priorities, be endorsed (iii) That the draft service business plans for 2022/23 to 2024/25 be approved, and that Heads of Service be authorised to finalise the plans for their service areas, in consultation with the relevant Portfolio Holders. (iv) That the following be approved for consultation under the Council's budget and policy framework: 	

- a) **Medium Term Financial Plan Summary (Annex 2);**
- b) **Revenue Budget Savings and Additional Income proposals totalling £0.566 million (Annex 3);**
- c) **Revenue Budget Growth proposals totalling £0.567 million (Annex 3) ;**
- d) **Forecast ongoing income budget pressures in 2022/23 as a consequence of the COVID-19 pandemic totalling £1.300 million (Annex 2);**
- f) **Revenue Reserve Balances at 1 April 2021 of £41.738 million (Annex 6.1).**
- (v) **That the Fees & Charges Policy (Annex 5) be approved.**
- (vi) **That the Reserves Policy (Annex 6.2) be approved.**
- (vii) **That the Medium Term Financial Plan forecast for 2023/24 onwards (Annex 2) and proposed actions to address the forecast revenue budget gap be noted.**
- (viii) **That the Local Council Tax Support Scheme be reviewed during 2022/23 and the outcome reported as part of Service & Financial Planning for 2023/24.**

REASONS FOR RECOMMENDATIONS:

Recommendations (i) to (vii): 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 Corporate Plan for 2020-2025.

Recommendation (viii): To ensure that council tax policy continues to support delivery of Council objectives.

EXECUTIVE SUMMARY:

The primary objectives of the service & financial planning process are to ensure that the Council continues to be financially sustainable, and that we are able to effectively deliver our services and corporate priorities.

Reigate & Banstead Borough Council is recognised as being a forward-looking local authority that delivers high quality services.

Our five year Corporate Plan looks to build on and further develop the work we have been doing, as well as expanding our efforts to support environmental sustainability, affordable housing and the wellbeing of our residents.

As always, we are seeking to ensure that the borough remains a great place to live and work, and to maintain and improve the quality of our services, all whilst securing savings and investment to remain financially sustainable.

The Council's Medium Term Financial Plan (MTFP) was updated and reported to Executive in July 2021. It covered:

- Objectives and priorities for the 2022/23 budget;
- Context to budget-setting, including updates on the national economic forecast, local government funding, Corporate Plan priorities and specific factors to be taken into account when developing budget proposals for 2022/23;
- Key budget information, including the 2020/21 budget outturn position, current year budgets and forecast new budget pressures and saving opportunities;

- Updates on the capital programme and treasury management;
- Information about the service & financial planning process and budget-setting timetables; and
- A summary of budget risks and sensitivities and how they will be managed.

Updated MTFP forecasts are presented in this report (Annex 2) which reflects the fact that the Council no longer receives Revenue Support Grant from Government and faces the prospect of a forecast reduction in retained business rates, resulting in significant financial pressures over the medium term. It also explains the emerging financial risks, issues and opportunities identified during services & financial planning over recent months.

The supporting Reserves and Fees & Charges policies are presented once again for approval.

The Revenue Budget for 2020/21 that was approved in February 2020, was agreed before the impacts of the COVID-19 pandemic on the UK became apparent. It did not therefore consider the significant additional financial impacts that were subsequently faced during 2020/21 on service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.

The 2020/21 budget outturn position at year-end was more positive than initially feared, mainly due to the injection of additional Government funding to fund unplanned expenditure and income losses during the year.

At the time of preparing this report the global pandemic was not yet over and there remains uncertainty about the impacts on Council finances; both for the remainder of 2021/22 and with regard to the ongoing reduction in car parking income receipts in 2022/23 onwards due to changes in customer demand that will have to be resourced in future years.

Nevertheless, the Council remains in a relatively strong position to respond to these challenges. In recent years, we have established ring-fenced revenue reserves to manage financial risks; however, use of reserves represents a short term tactic. We also continue to work towards generating new sources of income to secure our long-term financial stability. Our 2022/23 budget proposals recognise that we need to continue to invest in our capacity and staff to achieve this.

Work has continued to develop the Council's Strategy to support future commercial and investment activity around our Corporate Plan objective to be financially self-sufficient. This considers the degree and type of investment which might be supported, appetite for risk and the scope within which this might take place. Part 2 of the Commercial Strategy is currently being prepared.

The budget proposals detailed in this report are based on analysis of a range of data and evidence, and the result of extensive discussions over recent months between the Executive and Management Team. This report provides a condensed version of those discussions, describing the national and local context and the service and budget proposals which have been put forward in response.

The provisional budget proposals set out within this report include revenue budget savings, additional income-generation proposals and budget growth.

While much of the detail is included in this report, work on some aspects of Central Budgets and confirming the sources of funding will continue and the outcome will be presented in the final budget proposals in January 2022 following the Government's Provisional Local Government Settlement Announcement in December. Work also

continues on other potential budget risks and opportunities identified during service & financial planning.

At the time of preparing this report the Council faces a potential budget gap of around £0.718 million in 2022/23 after implementing the actions as described in this report. The extent to which any residual forecast budget shortfall will have to be funded from drawing on reserves will be confirmed in the final budget report in January.

Over the medium term action will be required to continue to pursue projects that generate new sources of income while continually seeking ways to use existing resources more efficiently. Reliance on one-off measures such as the use of reserves is not without risks and is not sustainable over the long-term. Going forward, solutions that reduce costs or increase income on a permanent basis will have to be identified for 2023/24 onwards.

A Financial Sustainability Plan is being developed and will be subject to regular monitoring and review, focussing on four key areas:

- Income Generation;
- Use of Assets
- Prioritisation of Resources; and
- Achieving Value for Money.

The report also confirms there are no significant new Capital Programme proposals for consideration. The final Capital Programme for 2022/23 to 2026/27 will be confirmed in the January budget report; no further significant growth proposals are anticipated at the time of preparing this report.

If the Executive accepts the budget recommendations in this report, further work will be undertaken over the coming weeks to test and refine the proposals, including consultation with the Overview & Scrutiny Committee's Budget Scrutiny Panel and other stakeholder groups. This will help ensure that the Council adopts a balanced budget for 2022/23 and is in the best position to prepare for anticipated budget challenges in 2023/24 onwards.

In addition, this report seeks approval to the proposed review of the Local Council Tax Support Scheme during 2022/23, including comprehensive consultation with stakeholders; any recommendations for changes to the Scheme would be considered as part of budget-setting for 2023/24.

Executive has authority to approve recommendations (i) to (viii).

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. The Council's current Local Council Tax Support Scheme policy fulfils the public sector equality duty, as set out in Section 149 of the Equality Act, 2010, the duty to mitigate child poverty as set out under the Child Poverty Act, 2010 and requirements under the Armed Forces Covenant. Any Scheme changes that arise from consultation next year will also need to meet those obligations.

SERVICE & FINANCIAL PLANNING

Service Context

6. It is important that our service plans respond to the context in which they will be implemented, in order to provide effective services that meet the needs of residents, communities and businesses. The local, national and regional context that has informed our service plans is summarised below.

Reigate & Banstead 2025 - Our five-year Corporate Plan

7. The Corporate Plan for 2020-25 sets out the organisation's vision, priorities, aims and objectives, and informs Council decisions at every level. The vision set out in 'Reigate & Banstead 2025' is to be recognised by our residents, businesses and partners as a leading Council. This means:
 - Delivering quality services and support;
 - Providing value for money;
 - Making the borough a great place to live, work and visit;
 - Being proactive about tackling climate change and reducing our environmental impact;
 - Being flexible and sustainable, responding to the needs and demands of our borough, residents, businesses; and
 - Operating as an increasingly commercial organisation.
8. The Corporate Plan seeks to deliver against the vision, with priorities grouped around the three themes of People, Place and Organisation. These priorities have been taken into account in developing the 2022/23 service & financial planning proposals.

Service Plans

9. Each Council service has reviewed its future direction in light of the wider context in which it operates, and its role in delivering our updated Corporate Plan priorities. These plans set out the direction of Council services, including key changes and priorities.
10. The following paragraphs highlight areas where changes to the way in which the Council carries out its business are planned, or where substantive revenue savings, income or growth are proposed:

- Electoral and Democratic Services: budget growth is being sought primarily for the costs associated with the implementation of new systems to facilitate the smooth running of future elections;
- Community Partnerships: budget savings are proposed in relation to CCTV maintenance costs and from a pause in various community partnership funding streams including small and medium grants and taxi vouchers;
- Neighbourhood Services: growth is being sought to fund an additional waste and recycling crew in response to the increased number of households and record volumes of recyclates, to manage the impact of Ash Die Back disease and to better align the budget with forecast costs/income;
- Management Team: savings are proposed resulting from a review and restructure of the current senior management team structure;
- Property and Facilities: growth is sought to reflect higher business rates payments associated with council assets;
- Communications: reduced frequency of publishing Borough News;
- Revenues, Benefits and Fraud: growth is necessary due to reductions in Government funding while some savings have been identified in printing, postage and IT system costs; and
- Planning: an increase in income is proposed, to be secured via increased pre-application advice fees.

National and Regional Context

11. Legislation, policies from national government, and decisions made by partner organisations (eg. Surrey County Council), will continue to have a significant effect on our residents, and therefore on the support and services that the Council provides. Annex 1 provides a summary of the international, national and sub-national context within which this Council will need to operate in 2022/23.
12. The overarching context remains one where there is increasing demand for Council services, whilst simultaneously experiencing a reduction in funding and resources. The context of Brexit and COVID mean that new challenges also continue to be faced, for example supply chain issues and an increasing cost of living for residents. The Council is continuing to work to respond to these challenges by increasing efficiencies and generating income, but this context continues to present an increasing pressure of work to meet the needs of our residents.

FINANCIAL CONTEXT

13. The Council continues to manage its finances well and has continued to deliver significant service improvements and priority projects despite increasing pressures on resources.

Chancellor's Autumn Budget and Spending Review21

14. Overall the increase in funding for local government announced by the Chancellor on 27 October 2021 was better than had been expected, however most of this Council's share of this funding 'gain' will be based on an expectation that council tax will increase to the referendum limit (which is already included in MTFP forecasts). Many of the additional grants announced related to services provided by upper tier authorities.

15. The Chancellor announced specific grants that may be relevant to this Council; the details of how they will be distributed where to be confirmed at the time of preparing this report. They include:

- £200m allocated for the 'cross-government Supporting Families programme';
- £37.8m for cyber security;
- £34.5m to 'strengthen local delivery and transparency' – some of this will be used to set up the new Audit Reporting and Governance Authority (ARGA) as a new system leader for local audit;
- £65m invested to 'digitise' the planning system; and
- £850m for 'cultural and heritage infrastructure'.

16. Other points of note included:

Local
Government
Funding

- No specific funding was announced to help authorities address ongoing COVID income pressures;
- There was no confirmation about how the increase in the employer's National Insurance Contributions will be funded. HM Treasury had previously indicated that authorities will receive compensation for the additional contributions in respect of direct employees;
- There were no specific announcements about local government funding reforms (Fair Funding Review or business rates changes) – it is therefore expected they have been pushed back to at least 2023/24;
- There was no confirmation of whether local government will receive a multi-year funding settlement;
- There was no indication whether New Homes Bonus will cease in 2022/23 or 2023/24, or whether it will continue in some form for the rest of the spending review period; and
- Continuation of the Lower Tier Services Grant (introduced in 2021/22) is expected to be confirmed in the Provisional Settlement announcement in December.

Council Tax

- Council tax referendum limits are expected to remain at similar levels to recent years – assumed to be 1.99% or £5 per band D property for this Council (to be confirmed in the Settlement Announcement in December);
- The adult social care precept levied by Surrey County Council will remain (also to be confirmed in December); and
- There were no announcements about whether there will be any additional funding to support authorities with increased costs of demand for Local Council Tax Support.

Business Rates

- Some changes were announced including new 50% reliefs for the Retail, Hospitality and Leisure sectors and the planned increase in the business rates multiplier next year

has been cancelled - local authorities will receive compensation for lost income;

- No announcement was made about the planned baseline reset or any of the other business rates reforms. This may mean they are no longer going ahead;
 - The Chancellor did say that the Government does not intend to abolish business rates but will launch a consultation on an Online Sales Tax;
 - Other reforms to business rates include: three yearly revaluations (from 2023) and investment reliefs to encourage green investment and premises improvements (any increase in rates payable will be delayed for 12 months). Delays to when improvements are recognised will have some effect on local government. Administratively, the changes will affect the uplift in valuations, which will be handled administratively by the Valuation Office Agency. However delays in recognising when increases in valuations are recognised on the valuation list (by 12 months) will reduce local authorities' retained business rates growth.
- Housing and Homelessness
- By 2024/25, an additional £639m will have been committed to rough sleeping. The Rough Sleeping Initiative and Homelessness Prevention Grant will be continued; and
 - £300m grant funding for mayoral combined authorities and local authorities (to unlock brownfield sites) and £1.5bn 'to regenerate unused land'.

Government Funding Assumptions 2022/23 Onwards

- The Council still expects to see a significant decline in Government funding support over the medium term as our retained business rates receipts are cut, a net reduction of up to £0.069 million, after loss of 'Negative RSG Grant' of £1.230 million.
- The table below summarises how Government funding will change for the Council in coming years.

Table 1: BUSINESS RATES FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Forecast Business Rates Resources	1.819	1.710	2.060	2.690	2.750	2.980
Less 'Negative RSG Grant'	-	-	-	(0.740)	(0.980)	(1.230)
Net Forecast	1.819	1.710	2.060	1.950	1.770	1.750
Annual Increase / (Reduction)	-	(0.109)	0.350	(0.110)	(0.180)	(0.020)
Cumulative Increase / (Reduction)	-	(0.109)	0.241	0.131	(0.049)	(0.069)

- These forecasts will be updated when the Provisional Local Government Settlement is announced in December.

Specific Grants

20. There is still an expectation that these will be rolled into the funding system when 75% business rates retention is introduced (expected as part of the longer-term Spending Review).

New Homes Bonus

21. At the time of preparing this report it remained unclear whether 2021/22 was the final year of New Homes Bonus allocations.

Council Tax Reform

22. No significant changes are expected following the Chancellor's autumn Budget and Spending Review²¹ announcements.

Partner Funding

23. Like the majority of authorities, Surrey County Council continues to face financial constraints. SCC implemented £41.2 million of budget efficiencies in 2021/22 and forecast a budget gap of £47 million in 2022/23. Efficiencies included reductions in funding for the Adult Social Care service and the Children and Families service.
24. County service reductions will impact on residents in this borough, and make it more difficult for us to deliver on our own corporate priorities within the context of our already challenging financial position. Financial constraints at the county level mean that this Council needs to continue to work closely with the County Council and other partners to ensure that residents continue to receive the services they need, delivered in an efficient and cost-effective way.

COVID-19 Pandemic

25. During 2020/21 the pandemic impacted on:
- Expenditure budgets – significant unbudgeted costs were incurred to deliver the Council's emergency response to the pandemic;
 - Income budgets – there were material shortfalls in income receipts across many services compared to budget;
 - Collection fund recovery performance – council tax and business rates income receipts were distorted by short-term relief measures introduced by Government at the same time as underlying economic pressure on taxpayers and delays in recovery processes during lockdown; and
 - Financial responsibilities – local authorities were asked to take on new responsibilities at short notice to support Government in distributing new reliefs, grants and benefits.
26. The 2020/21 budget outturn position at year-end was more positive than initially feared, mainly due to the injection of additional Government funding to fund unplanned expenditure and income losses during the year.
27. At the time of preparing this report the global pandemic was not yet over and there remains considerable uncertainty about the impacts on Council finances; both for the remainder of 2021/22 and with regard to the ongoing reduction in income receipts due to changes in customer demand that will have to be resourced in future years.
28. Further details of are set out at Appendix 4 of the MTFP attached at Annex 2.

Medium Term Financial Planning

29. The Council has been planning for the 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.

30. For 2022/23 onwards the additional impacts of the material reduction in income from car parking following the pandemic, has heightened the urgency for generation of new sources income and for making economies in how resources are utilised.
31. The Council's latest MTFP, summarised at Annex 2, was approved in July 2021 and sets out the financial direction of the Council over the medium term to ensure that the Council plans and manages its resources effectively. It sets out the priorities that will be taken into account when preparing the draft budget for 2022/23.

Medium Term Financial Plan Forecasts at November 2021

32. At the time of preparing this report MTFP forecasts indicate that it will be possible to balance the 2022/23 budget through expected Government funding, planned use of earmarked reserves and a call on the General Fund Balance. The final position will be confirmed in the January budget report.
33. However there remains a forecast budget gap over the medium term: £2.257 million for 2023/24 rising to £4.275 million, the primary causes being anticipated Government funding reductions and income reductions as a consequence of changes in customer demand, principally relating to car parking where a £1.300 million shortfall is forecast compared to pre-pandemic income levels.
34. The final position and MTFP forecasts for 2022/23 will be set out in the January budget report. Many of the measures that will be used to balance the budget for 2022/23 are likely to include, once again, be one-off cost reductions, including calling on reserves to address any residual budget gap.

Financial Sustainability Plan

35. 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 for 2023/24 onwards.
36. A Financial Sustainability Plan will be developed, focussing on four key areas:

Income Generation	<ul style="list-style-type: none">• Pursuing opportunities to generate new income streams.• Optimising fees and charges.• Implementation of the Commercial Strategy.
Use of Assets	<ul style="list-style-type: none">• Making effective use of existing assets, including the repurposing and sale of surplus properties.
Prioritisation of Resources	<ul style="list-style-type: none">• 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.• Managing pay costs and making effective use of staff resources.
Achieving Value for Money	<ul style="list-style-type: none">• Actively pursuing options to share with other councils to realise efficiency savings.

- Identification of invest to save opportunities – including investment in technology and assets to reduce operational costs.

37. The Corporate Governance Group (comprising statutory officers and Directors) will oversee progress in the identification and delivery of initiatives in the Plan while delivery of individual projects will be managed within existing project management Boards.
38. Progress will be reported to Executive, Overview & Scrutiny and individual Portfolioholders as part of quarterly performance reporting.

Commercial Strategy

39. 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 becomes an increasingly commercial 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 commercial risk – but it will also enable the Council to develop and grow into a self-sustaining organisation. As set out above, this will be supported by the developing commercial approach, strategy and associated plans.
40. The Commercial Ventures Executive Sub-Committee, supported by other Executive Members, has been working to develop the Council’s commercial agenda. This has included (and will continue to include) consideration of the scale and appropriate type of investments, the geographic area of any investment activities, and the opportunities for partnership working.
41. The current MTFP financial model includes indicative forecasts for income from newly-constructed commercial units at the Cromwell Road and Marketfield Way developments. These are based on an early assessment of the level of rental income net of landlord overheads; they will be updated in future MTFS reports as these developments are handed over and tenancies are signed. Forecasts for other commercial projects will be included when individual business cases have been approved and delivery timescales are confirmed.
42. The Commercial Strategy Part 1 was adopted in November 2020 and Part 2 is currently being prepared.

REVENUE BUDGET

43. 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 2021/22 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 resulting in a significant 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';
- **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 (£0.235 million in 2021/22).

Revenue Budget Outturn 2020/21

In February 2020 the Council set a net Revenue Budget for 2020/21 of £24.459m, including an advance payment of employer's pension contributions of £6.204m. Transfers from the Corporate Plan Delivery Fund and other Earmarked Reserves during the year resulted in a net increase to £25.713m.

Service Budgets

The 2020/21 Original Budget for Services approved by Council in February 2020 was £14.900m. At 31 March 2021 the full year outturn was £17.852m against a management budget of £16.010m resulting in an overspend of £1.841m (11.5%). The primary reason for this overspend is the inclusion of income losses as a consequence of the COVID-19 pandemic.

The table below summarises the 2020/21 provision outturn as reported to Executive in June 2021.

Table 2: REVENUE BUDGET Outturn at 31 MARCH 2021	Original Budget £m	In-Year Adjustments £m	Management Budget £m	Year-end Outturn £m	Year End Variance £m
Service Budgets – including the impacts of COVID-19 pandemic income losses	14.900	1.110	16.010	17.852	1.841
Central Budgets	9.560	0.142	9.702	6.935	(2.767)
Sub-Total	24.459	1.253	25.713	24.787	(0.925)
COVID-19 Pandemic – unplanned expenditure					3.782
COVID-19 Pandemic – specific Government Funding					(3.327)
COVID-19 Pandemic - other Government Funding					(4.170)
COVID-19 Pandemic – distribution of discretionary Business Grants to 31 March					(0.238)
Total Revenue Budget Outturn 2020/21 inclusive of COVID-19 Pandemic Expenditure and Funding					(4.878)
Transfers to Reserves:					

Contribution to General Fund Balance/Earmarked Reserves	2.184
Unspent balances on specific Government funding for COVID-19 impacts - to be transferred to an Earmarked Reserve	0.456
Balance of COVID-19 Government funding for discretionary business grants - to be transferred to an Earmarked Reserve to fund the ongoing Pandemic Response	0.238
Balance of other COVID-19 Government funding - to be transferred to an Earmarked Reserve to fund the Council's ongoing pandemic response	2.000
Total	4.878

The most significant Service Budget variances for the year are summarised below:

Organisation:

- £0.617m overspend in Finance, which is mostly attributable to the costs of interim staff covering vacant posts and additional support for the closure of accounts and advising on development projects. Permanent staff recruitment has now been completed with all staff in post by October. The Head of Finance post is still covered on an interim basis. Other overspends within Finance relate to £0.060m increased cost of financial software and £0.020m transactional related charges from the Council's banking provider. These pressures have been addressed during 2021/22 Service & financial Planning;
- £0.231m underspend in ICT due to lower software costs, hardware maintenance costs and staff vacancies;
- £0.231m underspend in Legal Services due to vacancies. These posts have now been recruited;
- £0.094m underspend in Democratic Services;
- £0.184m underspend in Elections due to cancelled local elections;
- £0.116m increased income for Land Charges;
- £0.070m underspend in Organisation Development & Human Resources due to vacancies earlier in the year.

Place:

- £0.074m net overspend in Refuse and Recycling due to additional temporary staff and overtime; offset in part by fuel price decreases and increased income;
- £0.105m additional Fleet costs of older vehicles;
- £1.702m income losses from Parking;
- £0.097m savings on fuel costs and vacant posts for Street Cleansing.

People:

- Housing – the underspend reflects receipt of £0.402m additional funding that will be carried forward for use in 2021/22;
- Revenues &, Benefits & Fraud – the primary underlying causes contributing to the £1m overspend at year end (20/21) are:
 - loss of income due to the COVID-19 pandemic: £0.179m was lost due to courts being closed and therefore costs from council tax summonses were not recovered. Another £0.070m was lost from the service's external contracts for commercial work.

- Irrecoverable bad debts were written off - £0.200m for Fraud/Compensation cases; £0.101m Council Tax Benefits debts balance; £0.095m Housing Benefit Overpayments.
- £0.095m reduction in Housing Benefit subsidy due to an increase in private supported accommodation in the borough for which the Council does not get fully reimbursed by the Government. The subsidy rate on all Housing Benefit expenditure was 99.3% of net expenditure, less than the usual rate of 99.6% in previous years. £0.140m against Software Acquisitions and External printing. Budget growth has been approved for these two areas for 2021/22.
- £0.160m of Printing and Software related cost pressures. This budget has also been reviewed as part of the 2021/22 Service & financial Planning process.
- Supporting Families – the underspend reflects receipt of £0.240m additional funding that will be carried forward for use in 2021/22;
- Harlequin Theatre – income losses due to the COVID-19 pandemic £0.266m;
- Leisure Services – management fee income losses due to the COVID-19 pandemic £0.240m.

Senior Management Team

- £0.266m underspend in the Chief Executive’s Office due to reduced salary costs.

44. The service & financial planning process for 2022/23 has included an assessment of whether any Service budgets require realignment to reflect historic outturn trends.

COVID-19 Expenditure and Funding 2020/21

45. The Revenue Budget for 2020/21 that was approved by Council in February 2020, was agreed before the impacts of the COVID-19 pandemic became apparent. It did not therefore consider the significant additional financial impacts that were faced during 2020/21 on Service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.

46. Further details were presented in the outturn report to Executive in June 2021 about:

- the additional net expenditure incurred in delivering the Council’s response;
- the income losses incurred while Council facilities were closed;
- the additional Government funding received to fund these pressures; plus
- information about the grants that were received for distribution to residents and local businesses on behalf of the Government.

2021/22 Revenue Budget

47. The Revenue Budget for 2021/22 was approved in February 2021. In summary it comprises:

Table 3: BUDGET SUMMARY 2021/22		Budget 2021/22 £m
1.	Net Cost of Services	14.903
2.	Central Budgets	2.492

Table 3: BUDGET SUMMARY 2021/22	Budget 2021/22 £m
NET EXPENDITURE 2021/22	17.395
3. Council Tax	14.365
4. National Non-Domestic Rates (NNDR)	1.819
5. Un-ringfenced Grants – transferred to Reserves	2.193
6. Other Un-ringfenced Grants	0.734
7. Contribution to Earmarked Reserves:	(2.193)
8. Call on Earmarked Reserves in 2021/22	0.242
9. Use of funds from the General Fund Balance to support the 2021/22 Revenue Budget ¹	0.235
NET SOURCES OF INCOME 2021/22	17.395

1. The actual sum to be drawn from reserves to support the budget will depend on the budget outturn position for 2021/22.

Service Budgets

Table 4: SERVICE BUDGETS 2021/22	Budget 2021/22 £m
ORGANISATION	
Communications / Customer Service	1.052
Finance	1.168
IT	1.810
Legal & Governance	2.022
Organisational Development & HR	0.785
Corporate Policy, Projects & Performance (incl. environmental sustainability)	0.420
Property Services	(1.510)
PLACE	
Economic Prosperity	0.398
Neighbourhood Operations	3.119
Place Delivery	0.326
Planning	0.548
PEOPLE	
Community Partnerships	1.588

Table 4: SERVICE BUDGETS 2021/22	Budget 2021/22 £m
Housing	0.950
Revenues, Benefits & Fraud	0.525
Leisure & Intervention	0.537
SENIOR MANAGEMENT TEAM	1.166
TOTAL	14.903

Central Budgets

48. Central budgets are set out in the table below. They comprise those budget items that are corporate in nature and are not associated with delivery of specific services.

Table 5: CENTRAL BUDGETS 2021/22	Budget 2021/22 £m
Insurance	0.460
Treasury Management	
Interest on Investments and Company Loans	(1.218)
Interest on Borrowing	0.165
Minimum Revenue Provision	1.361
Interest on Trust Funds and Treasury transaction costs	0.041
External Audit Fees	0.067
Budget for Staff Salary Increases	1.428
Preceptor Grants	0.038
Apprenticeship Levy	0.069
Visa Sponsorship Budget	0.005
Central Training Budget	0.077
Central Salary Contingencies	-
Central Budgets	2.492

Revenue Budget Funding

49. The sources of funding for the revenue budget in 2021/22 are set out in the table below.

Table 6: REVENUE BUDGET FUNDING 2021/22	Budget 2021/22 £m
Council Tax	14.365
National Non-Domestic Rates (NNDR)	1.819

Table 6: REVENUE BUDGET FUNDING 2021/22	Budget 2021/22 £m
Un-ringfenced Grants – transferred to Reserves <ul style="list-style-type: none"> • COVID-19 Emergency Funding - Allocation 5 • New Homes Bonus • Homelessness Prevention 	0.638 0.887 0.668
Other Un-ringfenced Grants <ul style="list-style-type: none"> • Lower Tier Services Grant • COVID-19 Tax Income Guarantee Grant (estimate) • COVID-19 Local Council Tax Support Grant 	0.394 0.150 0.190
Contribution to Earmarked Reserves: <ul style="list-style-type: none"> • COVID-19 Emergency Funding – transferred to new COVID-19 Reserve • New Homes Bonus – 2021/22 allocation transferred to Government Funding Risks Reserve • Homelessness Prevention – 2021/22 allocation transferred to Earmarked Reserve 	(0.638) (0.887) (0.668)
Call on Earmarked Reserves in 2021/22: <ul style="list-style-type: none"> • Government Funding Risks Reserve (Housing Benefit subsidy reduction) • Commercial Risks Reserve (Redhill hotel rent income reduction and Revenues & Benefits trading income) 	0.104 0.138
Use of funds from the General Fund Balance to support the 2021/22 Revenue Budget ¹	0.235
NET SOURCES OF INCOME 2021/22	17.395

Revenue Budget-Setting Assumptions 2022/23

50. The following assumptions will be used during service & financial planning over coming months when preparing the draft Budget estimates for 2022/23:

- | | |
|--------------------------------|--|
| Council Tax | <ul style="list-style-type: none"> • To increase by the referendum limit – assumed to be £1.99% or £5 per Band D property (subject to confirmation by Government); • Plus an increase due to growth in the taxbase of 1.5% per cent in 2022/23; this will be confirmed when preparing final council tax forecasts for the January budget report; • The impacts of local discounts, exemptions and the local council tax support scheme will be taken into account when preparing income forecasts. Also the ongoing impacts of the COVID-19 pandemic on collection performance and take up of the Local Council Tax Support Scheme; |
| Government Funding | <ul style="list-style-type: none"> • Fair Funding Review and loss of Negative RSG Grant will not impact in 2022/23; |
| Retained Business Rates Income | <ul style="list-style-type: none"> • Reset of Business Rates will not impact in 2022/23; |

Fees & Charges	<ul style="list-style-type: none"> • The Fees & Charges Policy is attached at Annex 5. For budgeting purposes it is assumed that fees and charges will increase in line with the Policy and that all fees and charged will be reviewed to ensure they comply;
Investment Income and Borrowing	<ul style="list-style-type: none"> • Investments and borrowing will be forecast in line with forecast balances (reserves) and Capital Programme investment plans;
Pay Inflation	<ul style="list-style-type: none"> • An allowance for a pay award has been included in the draft Budget, in addition to forecast contractual pay increases; • This provides the option for pay rises but the specific rate of increase will be subject to established consultation processes; • The 1.25% increase in Employer's NI contribution to fund the new Health & Social Care levy will be funded in full by the Government;
Employer Pension Costs	<ul style="list-style-type: none"> • As part of budget-setting 2021/22 The approved approach was: <ul style="list-style-type: none"> ○ To maintain the primary employer contribution rate at 15% of salaries. This has been factored into the 2022/23 base budget; ○ The secondary employer rate was paid as an advance lump sum of £6.204 million in April 2020 funded from the earmarked reserve set aside for this purpose plus a contribution from General Fund Reserves at the beginning of 2021/22. This represented a saving of £0.397 million compared to payment in three annual instalments from 2021/22 to 2024/25; ○ To plan to rebuild the Pensions Reserve ready for the next revaluation in 2022;
Price Inflation & Supplier Risks	<ul style="list-style-type: none"> • The general principle is that services should first seek to cover price inflation from their existing budgets, unless tied contractually to significant cost increases that warrant additional funding; • Inflation was rising at the time of preparing this report with reports of pressures on future building costs in excess of 20%, however it was too early to predict how this might impact on capital projects that have not yet been out to tender; • Volatility in the energy support market was a new emerging risk in autumn 2021 and will be kept under review.

2021/22 Revenue Budget Monitoring

51. The full year forecast at the end of Quarter 1 (30 June) for Service budgets was £0.024m (0.1%) lower than the management budget and Central budgets were reporting £0.002m higher than budget, resulting in an overall forecast of £0.022m (0.1%) lower than budget for the year.
52. Ongoing COVID-19 income losses are forecast to be £2.319m, £0.354k of which are expected to be funded by the Q1 Sales Fees & Charges grant claim from Government. The remainder will be covered by the Reserve that was created at the end of 2020/21 for this purpose. Inclusion of these losses results in a forecast of £1.943m (10.9%) higher than budget (before use of reserves).

2022/23 Service Budget Proposals

53. Service budget proposals are detailed at Annex 3 and summarised below:

Table 7: SERVICE BUDGET PROPOSALS 2022/23	Approved Budget 2021/22 £m	Proposed Budget 2022/23 £m	Net Service Budget Increase / Decrease £m
ORGANISATION			
Communications / Customer Service	1.052	1.037	(0.015)
Finance	1.168	1.168	-
ICT	1.810	1.810	-
Legal & Governance	2.022	2.061	0.039
Organisational Development & HR	0.785	0.785	
Corporate Policy, Projects & Performance (incl. environmental sustainability)	0.420	0.420	
Property / Commercial	(1.510)	(1.390)	0.120
PLACE			
Economic Prosperity	0.398	0.398	-
Neighbourhood Operations	3.119	3.369	0.250
Place Delivery	0.326	0.326	-
Planning	0.548	0.473	(0.075)
PEOPLE			
Community Partnerships	1.588	1.370	(0.218)
Housing	0.950	0.950	
Revenues, Benefits & Fraud	0.525	0.625	0.100
Leisure & Intervention	0.537	0.537	
SENIOR MANAGEMENT TEAM	1.166	0.966	(0.200)
TOTAL	14.903	14.904	0.001

54. Service savings, additional income and growth proposals result in the following net budget movements:

Table 8: SERVICE BUDGET PROPOSALS FOR 2022/23			
		FTE	£m
Budget Movements:			
Annex			
3.1	Services – Pay	0.6	(0.163)
3.2	Services – Non-Pay	-	0.039

Table 8: SERVICE BUDGET PROPOSALS FOR 2022/23			
		FTE	£m
3.3	Government Funding Reductions	-	0.125
NET BUDGET GROWTH		0.6	0.001

Service Budget Risks and Opportunities - 2022/23 Onwards

55. In addition to the service budget growth proposals in this report there are other potential service budget pressures and opportunities that will have to be addressed in 2022/23 onwards:

Issues:

(i) Car Parking Income

- Analysis of car parking income forecasts during 2021/22 indicates that income is highly unlikely to return to pre-pandemic levels. The primary reason is changes in commuter working patterns resulting in a fall in income from parking permits;
- During 2020/21 and 2021/22 this loss has been underwritten through use of Government funding for COVID income losses and use of Earmarked Reserves that have been set aside to cover the risk for the remainder of this year;
- Government funding support ceased at 30 June 2021 and the Reserve will be exhausted by the start of 2022/23;
- It is therefore necessary to plan to re-baseline the parking income budgets for 2022/23 onwards based on the forecasts for post-pandemic demand;
- This results in a £1.3 million reduction in the service's income budget compared to 2019/20; equivalent to an 7.5% cut in the Council's net budget.

Risks

(i) IT Resilience.

- The Council's IT Strategy is being reviewed to ensure that the IT infrastructure and systems continue to support delivery of strategic and operational plans. It will be necessary to take action over the coming five-year period to invest in:
 - Replacement of the Virtual Server Environment;
 - Replacement Telephony System;
 - Improved Disaster Recovery capability;
 - Improved Cyber Security resilience;
 - Improved staff/Members' remote working/flexible working support; and
 - Investment in IT team capacity to support the above
- Much of the forecast investment reflects cyclical costs that fall due over the next five years along with the new requirement for enhanced resilience to protect Council networks and systems against increased risks of cyber-attack. The recommended approach will be based on an inter-related

package of works that would cost more over the medium term to implement if not carried out in parallel;

- The costs and impact of a Disaster Recovery event in our current IT environment would be millions more than the cost of investment in preventative measures now, as evidenced by cyber-attacks on other local authorities over the past 18 months, resulting in multi-million pound recovery programmes;
- Another important factor is the move by software vendors to migrate their services to Software as a Service ('SaaS' – 'the Cloud') which offers the benefits of enhanced resilience. Over coming years the Council is likely to be obliged to migrate to the Cloud versions anyway as vendors make that the default route to access their software;
- The proposed solutions for addressing these IT Resilience risks are currently being developed and proposals will be brought forward for decision in a separate report. Funding options under consideration include making use of capital receipts to resource some of the costs (under the Government's scheme for 'flexible use of capital receipts') and making use of Government grant funding (where eligible);
- Early indicative forecasts for the costs of this investment over the medium term are set out below to help illustrate the potential scale of investment required; but these are subject to ongoing review, prioritisation and confirmation of timescales and funding. In part these estimates reflect the fact that it has been some years since the IT Strategy was last reviewed; also the heightened level of risks that are now faced across all business sectors. Further details will be provided in the planned IT Strategy report and recommendations.

Table 9: INDICATIVE COST OF INVESTMENT IN IT RESILIENCE (at November 2021)	Forecast 2021/22 £m	Forecast 2022/23 £m	Forecast 2023/24 £m	Forecast 2024/25 £m	Forecast 2025/26 £m	Forecast 2026/27 £m
Project / Implementation Costs	0.250	0.300	0.400	0.100	0.250	0.200
Operating Costs	0.350	0.700	1.000	1.100	1.200	1.250
Total	0.600	1.000	1.400	1.200	1.450	1.450

(ii) Property Rental Income

- The Property team continue to take a proactive approach to managing tenancies and minimising the financial impacts of voids; however several significant leases are due for renewal in 2022/23 and there is a risk that current income levels may not be achievable if tenancies come to an end and result in lengthy void periods.
- Rental income forecasts for 2022/23 are therefore currently under review; the outcome will be included in the January budget report.

(ii) Government Waste & Resources Strategy

- Proposals set out in the Waste & Resources Strategy, and anticipated to 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 proposed:
 - Invoke the ‘polluter pays’ principle and extend 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 ensuring consistency in household and business recycling.
- These measures will have a considerable impact on local authorities, particularly consistency in recycling, which will affect how kerbside recycling services are delivered in the near future.
- Timescales are subject to confirmation when the outcome of consultation is known.

Opportunities:

Other aspects of Service budgets that are currently being reviewed are set out below; an update will be provided in the January budget report:

(i) Family Support & Refugee Resettlement

- Recent funding announcements indicate that there are potential new opportunities to reduce the direct cost of the service to this Council through calling on grant funding and sharing costs with other Councils.

(ii) Procurement and Contract Management Capacity

- There is a potential requirement to ensure that the Procurement team has sufficient capacity to support services with significant new procurement projects and also to ensure that their existing contracts are monitored effectively to control costs

(iii) Data Insight Capacity

- There is a potential requirement to create more capacity to support services in the analysis and reporting of data to support effective planning, decision-making and the identification of opportunities to reduce operating costs.

Service Fees & Charges

56. Income from fees and charges in 2021/22 contributes £17.376 million to support service delivery. The Policy on Fees & Charges is attached at Annex 5.
57. A review of Fees & Charges is being carried out during 2021/22 to support delivery of Medium Term Financial Plan and Commercial Strategy targets for increasing sustainable income streams to support the budget. Actions that are planned to implement the review include:
- Improving the Council’s strategic approach to fees and charges;

- Charging for new services and for those not currently charged for; and
- Investing in expanding existing charged for services that have scope for growth.

Commercial Income

58. The Medium Term Financial Plan includes the objective of:

- To consider and take advantage of **commercial opportunities** as they arise to deliver new income streams.

59. Delivery of this objective is supported by the allocation of additional funds in the Capital Programme to purchase or develop assets that will generate new income streams as well as supporting delivery of corporate objectives. These purchases will be financed through prudential borrowing therefore provision will have to be made in the revenue budget for the costs of repaying that debt. It will also be necessary to ensure that borrowing for this purpose complies with Government and CIPFA guidance, specifically 'borrowing in advance of need' and enhanced restrictions on PWLB borrowing.

60. Following the recent refusal of planning permission for the Crematorium (which was intended to deliver a new income stream to help fund services as well as being a valuable community facility), the main new sources of additional income that are being progressed are the Commercial units at the new Cromwell Road Development (Wheatley Court); and the commercial units at the Marketfield Way development.

61. As explained above, initial estimates for the income to be delivered have been included in budget forecasts for 2022/23 onwards; they are however subject to confirmation as tenancies are signed.

Commercial Strategy Part 2

62. The Commercial Strategy Part 2 will set out the future focus for the Council's commercial activity and currently being prepared.

Central Budget Proposals 2022/23

63. Proposed changes to Central budgets are summarised in the table below.

Table 10: CENTRAL BUDGETS	Approved Budget 2021/22 £m	Proposed Budget 2022/23 £m	Net Central Budget Increase / Decrease £m
Insurance ¹	0.460	0.460	-
Treasury Management ¹	0.349	1.124	0.775
Employer Pension Costs	-	0.350	0.350
External Audit Fees ¹	0.067	0.067	-
Budget for Staff Salary Increases ¹	1.428	2.228	0.800
Preceptor Grants	0.038	0.038	-
Apprenticeship Levy ¹	0.069	0.069	-
Visa Sponsorship Budget	0.005	0.005	-

Table 10: CENTRAL BUDGETS	Approved Budget 2021/22 £m	Proposed Budget 2022/23 £m	Net Central Budget Increase / Decrease £m
Central Training Budget	0.077	0.077	-
Central Budgets	2.492	4.418	1.925

Notes:

1. Final budgets and any changes will be confirmed in the January budget report.

64. Central budgets include:

- £0.350m funding for employer pension contributions; these will be funded from the Pension Reserve established for this purpose;
- £0.038m funding for a preceptor grant to Horley Town Council. This is the latest instalment under a 10-year agreement (2014/15 to 2023/24) to eliminate 'double taxation' whereby Horley residents pay direct to the Town Council for the local services that it provides. A decision will have to be made during budget setting for 2023/24 whether to continue this arrangement.

65. While some Central Budgets have been reviewed while preparing this report, as highlighted in the table above, further work is in progress in order to confirm the remainder for inclusion in the final budget proposals in January 2022.

Revenue Budget Funding 2022/23

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

Table 11: REVENUE BUDGET FUNDING 2022/23	Approved Budget 2021/22 £m	Draft Budget 2022/23 £m	Net Increase / Decrease £m
Council Tax	14.365	14.905	0.540
National Non-Domestic Rates	1.819	1.710	(0.109)

Use of Reserves

67. Based on the outcome of services & financial planning work to date it is likely to be necessary to call on earmarked reserves and a contribution from the general fund balance in order to achieve a balanced budget in 2022/23.

68. The latest MTFP at Annex 2 is based on initial assumptions regarding use of reserves. These figures will be updated in the final budget report in January when the outstanding budget items (as explained in this report) are confirmed.

69. Work is also still in progress to update the funding forecasts for inclusion in the final budget proposals. Factors to be taken into account will include:

Council Tax

- The final recommendation on the council tax increase will be included in the January budget report following confirmation of the referendum limit by Government;
- Council tax income forecasts for 2022/23 will be dependent on the outcome of work that is currently in progress to forecast the council tax base for 2022/23. This continues to be challenging due to the increasing numbers of local council tax support

- scheme claimants as a consequence of the COVID-19 pandemic;
- National Non-Domestic Rates
- Includes retained Business Rates, Negative RSG Grant, Fees and Charges and Other Grants;
 - These are expected to be confirmed in the Provisional Settlement announcement in December;
- Contributions To/From Reserves
- Options for drawing on reserves will be finalised for inclusion in the January budget report;

Forecast Budget Gap at November 2021

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

Table 12: MEDIUM TERM REVENUE BUDGET FORECAST (at November 2021)	Approved Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27
	£m	£m	£m	£m	£m	£m
FORECAST GAP	Balanced	0.718	2.257	2.616	3.775	4.275
Annual Increase in Gap	-	0.718	1.539	0.359	1.159	0.500
Gap as % of 2021/22 budget requirement	-	4.1%	13.0%	15.0%	21.7%	24.6%

71. While some specific COVID-19 grants have continued to be received during 2021/22 to help fund the legacy response to the pandemic (primarily support for the vulnerable); Government support for pandemic-related income losses ceased at 30 June 2021.
72. The above forecasts confirm that there is still a budget gap to be addressed for 2022/23 onwards. In principle the 2022/23 budget can be balanced through calling on reserves however other options continue to be pursued and will be finalised in the January budget report. They include:
- Identification of further savings, income generation opportunities or budget efficiencies (net of any new pressures identified); and
 - Confirmation of retained business rates and Government grants in the Provisional Settlement.
73. Over the medium term, the Financial Sustainability Plan is being developed to address the budget gap and will be subject to regular monitoring and review, focussing on four key areas:
- Income Generation;
 - Use of Assets;
 - Prioritisation of Resources; and
 - Achieving Value for Money.

Further details are provided in this report.

USE OF RESERVES

74. The Council holds reserves to provide protection against financial risks. Our 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.
75. 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; and
 - A means of setting aside sums for future identified uses and / or investments.
76. 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.
77. The Council's Reserves Policy is attached at Annex 6.2
78. Current Revenue Reserves are summarised below and detailed at Annex 6.1

Table 13: RESERVES SUMMARY	Balance at 1 April March 2020 £m	Balance at 1 April 2021 ¹ £m
General Fund Balance	3.246	3.000
Other Earmarked Reserves	32.145	36.044
COVID-19 Reserves	-	2.694
TOTAL	35.391	41.738

Notes

1: Balances after decisions made during budget setting for 2021/22 to redistribute funds between Reserves. Includes sums set aside at year-end 2020/21 relating to unspent COVID-19 funding.

79. 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.
80. The Council has set a minimum level for unallocated General Fund reserves of 15% of the net revenue budget, which equates to £2.600 million (for 2021/22). The unallocated balance on the General Fund at 1 April 2021 of £3.000 million, is compliant with this limit.

NEW HOMES BONUS

81. The New Homes Bonus was introduced in 2011/12. Authorities are rewarded with a financial bonus, equal to the national average council tax on each additional property built which is paid for a number of years as a non-ring-fenced Government grant. 80% of the Bonus is paid to the district council and 20% to the county council. There is an enhanced payment for new affordable homes.
82. New Homes Bonus was revised for the 2017/18 financial year with the length of time it is paid reducing from six to five years (for the 2017/18 award) and to four years from 2021/22 onwards. A new 'baseline' of +0.4% growth was also introduced before any

Bonus is paid. The retained funds were used by the Government to support authorities with adult social care responsibilities.

83. The Government originally set out its intention to end New Homes Bonus as part of the Fair Funding Review. The objective is to replace this mechanism with a different means of incentivising and rewarding housing growth. The detail and timing remain unclear due to the delay in the Fair Funding review.
84. In previous years this funding was set aside in an Earmarked Reserve for general use. During budget-setting 2020/21 a sum equivalent to the historic accumulated funds was transferred to an Earmarked Reserve to support implementation of the Housing Delivery Strategy. Details at Annex 6.2. New Homes Bonus allocations for 2021/22 onwards are transferred to general reserves.
85. The allocation for 2022/23 is subject to confirmation in the Provisional Settlement Announcement in December.
86. Forecast New Homes Bonus allocations are set out in the table below:

Table 14: NEW HOMES BONUS	2022/23 £m	2023/24 £m
New Homes Bonus – legacy payment	0.325	nil
New Homes Bonus – 2022/23 allocation	TBC In December 2021	TBC In December 2021

COUNCIL TAX

87. Council Tax Precepts 2021/22

Table 15: ANALYSIS OF COUNCIL TAX BY PRECEPTOR		
Authority	£000	% share
Surrey County Council ¹	94,061.1	74.48%
Surrey Police & Crime Commissioner ¹	17,339.8	13.73%
Reigate & Banstead Borough Council	14,418.6	11.42%
Horley Town Council	428.1	0.34%
Salfords & Sidlow Parish Council	42.0	0.03%
	126,289.6	100.00%

88. The referendum cap is expected to be confirmed with the Provisional Local Government Funding Settlement Announcement in December. It is anticipated to be the higher of 1.99% or £5 per Band D property for district councils.
89. Final recommendations will be included in the January Budget and Council Tax reports when the referendum cap has been confirmed by the Government.

Local Council Tax Support Scheme

90. Under the Local Council Tax Support Scheme this Council, as the billing authority, awards council tax reductions to eligible 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.

91. 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
92. 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.
93. 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; it is still too early to predict whether or when numbers will reduce, although the national employment rate is now rising much faster than previously anticipated which is likely to reduce the number of claims;
 - More recently, changes announced in the Chancellor's autumn budget statement will potentially reduce Scheme costs through:
 - a reduced Universal Credit taper (meaning that low-income earners can keep more of their pay)
 - a 6.6% increase in the national living wage; and
 - a 3.1% increase in DWP benefits.
94. During 2022/23 it is recommended that the Scheme is reviewed to ensure that it reflects the current economic environment and to ensure that the design and operation of the Scheme remains fit for purpose:
- it should not be a barrier to work; it should help make work pay; and
 - it should be easy to understand and at minimal cost to administer.
95. There have been no major changes to the Scheme since its introduction in 2013. After seeking Member and Officer views during 2022/23 on potential scheme designs, the law requires extensive consultation with taxpayers and preceptors as well as advice groups and other stakeholder before any final decisions are made on changes.
96. Following consultation any changes would be recommended as part of budget-setting and implemented in 2023/24.

Council Tax Collection Performance 2020/21

97. This Council's collection performance for council tax in 2020/21 was 98.06% (98.65% in 2019/20); 37th highest performance compared to all English local authorities

Council Tax Options 2022/23

98. Each 1% increase in Council Tax generates £0.144m additional income for this borough. A £5 increase in 22/23 would yield £0.510m additional income
99. Council tax income forecasts for 2022/23 will be dependent on the outcome of work that is currently in progress to forecast the council tax base for 2022/23. This is more challenging due to the increasing numbers of local council tax support scheme claimants as a consequence of the COVID-19 pandemic.

Council Tax Forecasts

100. For MTFP modelling purposes, based on a £5 increase and a 1.5% increase in the taxbase, the Council Tax income forecast at November 2021 is set out below:

Table 16: COUNCIL TAX FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Forecast Resources	14.360	14.900	15.410	15.940	16.330	16.650
Annual Increase in Income	-	0.540	0.510	0.530	0.390	0.320
Cumulative Increase in Income		0.540	1.050	1.580	1.970	2.290
Band D	£237.46	£242.46	£247.46	£252.46	£257.46	£262.46
Band D Increase	-	£5.00	£5.00	£5.00	£5.00	£5.00
Taxbase Increase ¹	1.15%	1.5%	0.7%	0.4%	0.5%	0.5%

NOTES:

1. Subject to confirmation in the January Budget report when forecasts for the number of new homes and Local Council Tax Support claims are updated.

101. 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.
102. 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

103. Changes to council tax charges on empty homes were approved during 2020/21 and 2021/22:
- Homes that have been empty and substantially unfurnished for more than two years and less than five years are now 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 five years and more are now 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 now charged a Council Tax long term empty premium equivalent to 300% of the Council Tax.
104. 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.
105. The Country Council has distributed the funds during 2021/22: £0.070m was distributed to this Council in 2020/21 and £0.085m in 2021/22; proposals for use of these funds were included in the January 2021 budget report.
106. During 2022/23 the Revenues & Benefits team will continue to investigate those aspects of the council tax system that are at risk of non-compliance with consequent

risks of a reduction in income collected. This includes a full review of single person discounts. The service is entitled to levy an administration charge on households that are found to have failed to notify the team about changes despite receiving reminders: £70 on the first occasion and £280 for repeated failure.

BUSINESS RATES (NATIONAL NON-DOMESTIC RATES)

107. In 2013, the Government introduced a scheme through which local authorities retain a proportion of any business rates growth above a set 'baseline'. The purpose was to give authorities a financial incentive to encourage and foster economic growth within their area and to work collaboratively with other authorities and business organisations to achieve that growth.
108. While this scheme was broadly welcomed by the sector, there remain concerns over the potential volatility of this income stream due to the level of appeals; even a small variation in the overall revenue generated can result in a significant financial impact.
109. The Government has been undertaking a review of how business rates will operate going forward and has previously stated its intentions to achieve 75% localisation of business rates from 2022. The full impact of this cannot be assessed until the details of these changes are release by the Government.
110. As explained above, in 2023/24, the Council expects to see further significant decline in Government funding support as retained business rates receipts and Negative RSG Grant' are phased out. It remains unclear how these reductions will be implemented but we are assuming this will be clearer when the outcome of the Fair Funding Review and Business Rates Reset are announced. Current MTFP forecasts are based on the information that is currently available.

Business Rates Pooling

111. A small number of Surrey authorities are once again planning to establish a voluntary Business Rates Pool for 2022/23 with Surrey County Council using the same methodology as in previous years. This Pool is not open to Reigate & Banstead due to the relative size of our business Rates Levy change.

Business Rate Appeals

112. Business rate forecasts include an assessment of the likelihood of successful appeals.

Business Rates Collection Performance 2020/21

113. Collection performance for business rates in 2020/21 was 99.8% (99.94% in 2019/20); this was the 2nd highest performance in the country compared to all English local authorities.

Table 17: NDR FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Forecast NDR Resources	1.819	1.710	2.060	2.690	2.750	2.980
Less 'Negative RSG Grant'	-	-	-	(0.740)	(0.980)	(1.230)
Net Forecast¹	1.819	1.710	2.060	1.950	1.770	1.750
Annual Increase / (Reduction)	-	(0.109)	0.350	(0.110)	(0.180)	(0.020)

Table 17: NNDR FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Cumulative Increase / (Reduction)	-	(0.109)	0.241	0.131	(0.049)	(0.069)

NOTES: Subject to confirmation in the January Budget report following the Provisional Settlement announcement.

114. These forecasts take into account the impacts of spreading 2021/22 collection fund losses over three years and the removal of one-off support measures after 2021/22.

CAPITAL PROGRAMME 2022/23 ONWARDS

Capital Investment Strategy and Capital Programme

115. The latest Capital Investment Strategy was approved by Executive in July 2021 and sets out how the Council plans to invest in assets to generate income.

2021/22 to 2025/26 Approved Capital Programme

116. The Capital Programme that was approved in January 2021 and the unspent balance on previously-approved schemes is summarised below:

Table 18: CAPITAL PROGRAMME 2021/22 to 2025/26 by SERVICE	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL £m
	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
ORGANISATION SERVICES						
Property Services	1.332	1.658	1.374	1.258	-	5.622
IT Services	1.175	0.375	0.385	0.375	0.060	2.370
Organisational Development	0.260	0.260	0.260	0.260	-	1.040
PEOPLE SERVICES						
Housing	11.695	11.355	1.355	1.355	0.021	25.781
Leisure & Intervention	0.140	0.140	0.140	0.140	0.140	0.700
Community Partnerships	0.030	0.030	0.030	0.030	-	0.120
PLACE SERVICES						
Neighbourhood Operations	2.397	1.049	1.457	1.030	0.339	6.272
Place Delivery	24.496	15.100	-	-	-	39.956
Economic Prosperity	0.100	0.100	0.100	0.100	-	0.400
CORPORATE						
Commercial Investment Strategy	-	-	-	-	-	-
TOTAL APPROVED CAPITAL PROGRAMME	41.625	30.067	5.101	4.548	0.560	81.901

117. Some of the sums allocated in the approved Capital Programme are intended to demonstrate a commitment to invest, rather than specific spending plans. For some capital schemes relating to Housing and Commercial projects there will therefore be a requirement for further reports to Executive or to the Commercial Ventures Executive Sub Committee when the business cases for specific investment proposals have been developed.

Capital Programme Growth 2022/23 onwards

118. The final Capital Programme for 2022/23 to 2026/27 will be confirmed in the January budget report; no further significant growth proposals are anticipated at the time of preparing this report. The main area of growth is likely to be the addition of 'rolled-forward' allocations for 2026/27. Any new schemes that are proposed will be added to the schedules at Annex 4 for consideration as part of final budget-setting decisions.

Capital Programme Funding

119. Sources of funding for the 2021/22 Capital Programme are summarised below

Table 19: CAPITAL PROGRAMME FUNDING 2021/22 to 2025/26	2021/22	2022/23	2023/24	2024/25	2025/26	Total £m
	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
TOTAL CAPITAL EXPENDITURE 2021/22 - 2025/26	41.625	30.067	5.101	4.548	0.560	81.901
Funded by:						
Capital Reserves	-	-	-	-	-	-
Capital Receipts	4.187	26.778	0	0	-	30.965
Capital Grants & Contributions	2.385	1.187	1.187	1.187	-	5.946
Earmarked Reserves – Housing Delivery Strategy	9.520	-	-	-	-	9.520
Prudential Borrowing	25.533	2.102	3.914	3.361	0.560	35.470
TOTAL CAPITAL FUNDING 2021/22 to 2025/26	41.625	30.067	5.101	4.548	0.560	81.901

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

Table 20: CAPITAL 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 was nil at March 2021.
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 Marketfield Way redevelopment, Pitwood Park and the Cromwell Road Housing

Table 20: CAPITAL FUNDING	
	developments. These capital receipts have been factored into forecast funding requirements.
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 grant allocation to 2020/21 has been allocated to support implementation of the Housing Delivery Strategy.
Prudential Borrowing	<ul style="list-style-type: none"> • The primary source of long-term funding for the Capital Programme is now prudential borrowing, mainly 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 2022/23.

Capital Programme – Revenue Budget Implications

121. As explained above, 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. The costs of repaying this borrowing fall on the revenue budget as treasury management costs in Central budgets.
122. Treasury management budgets will be updated to reflect the costs of borrowing for the approved Capital Programme for 2022/23 onwards net of interest on forecast balances. Details will be confirmed in the Treasury Management Strategy for 2022/23 that is reported to Executive and Full Council for approval in March/April each year.
123. 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 set for any new income streams generated.

BUDGET SETTING TIMETABLE

124. The timetable for approval of the 2022/23 budget is summarised below:

Date	Event	Purpose
June/July 2021	Management Team away day	Consider service position and initial forecasts

Date	Event	Purpose
	Executive away day	Discuss budget setting priorities and 'direction of travel'
15 July 2021	Overview & Scrutiny	Medium Term Financial Plan Update Capital Strategy Update
22 July 2021	Executive	
September 2021	Management Team away day	Consider draft Budget proposals
November 2021	Executive away day	Agree draft Budget proposals
18 November 2021	Executive	Agree draft Budget
1 December 2021 9 December 2021	Budget Scrutiny Panel Overview and Scrutiny	Review of draft Budget
16 December 2021	Executive	Receive Scrutiny Panel Feedback
28 January 2022	Executive	Final Budget and Council Tax proposals
10 February 2022	Full Council	Approve Budget and Council Tax

OPTIONS

125. Service & Financial Planning: the following options are available to the Executive:

OPTION 1 - Approve the proposed budget and financial planning changes set out within the report, for consultation under the terms of the Constitution. Also to approve the proposed review of the Local Council Tax Support Scheme during 2022/23.

This option is recommended for approval, to ensure that service and financial plans are agreed in good time to adopt a balanced budget for 2022/23. Also that the Local Council Tax Support Scheme remains fit for purpose.

OPTION 2 - Only approve some of the proposed budget and financial planning changes set out within the report, for consultation under the terms of the Constitution.

This option is not recommended, as it would undermine the service plans and would present a risk to closure of the forecast budget gap for 2022/23.

OPTION 3 - Reject the proposed budget and financial planning changes set out within the report, 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 would delay the budget consultation process, undermine service planning and leave the Council and risk of failing to adopt a balanced budget for 2022/23.

LEGAL IMPLICATIONS

126. Service & financial planning: there are no direct legal implications arising from the recommendations in this report subject to the Council adopting a balanced budget for 2022/23 by 11 March 2022 to meet the requirements of the Local Government Finance Act 1992.
127. Local Council Tax Support scheme: consultation during 2022/23 on any potential changes to the scheme will be conducted in a way that ensures compliance with relevant regulations.

FINANCIAL IMPLICATIONS

128. Service & financial planning: these are addressed throughout the report.
129. Proposed Local Council Tax Scheme review: these are addressed in the relevant section of the report.

EQUALITIES IMPLICATIONS

130. An Equalities Impact Assessment of the final service & financial planning proposals will be undertaken and will be provided as a background paper to the January budget report.
131. An initial assessment of the proposals presented in this paper has indicated that the following proposals could potentially have a negative impact (direct or indirect) on one or more of the groups protected under the Equality Act 2010. These proposals include:
- Proposals from the Community Partnerships service, including in relation to CCTV maintenance, and community partnerships funding streams including small and medium grants and taxi vouchers;
 - Proposals from the Communications and Customer Contact service relating to the reduced frequency of publishing the Borough News magazine;
 - Proposals from the Revenues, Benefits & Fraud service relating to the introduction of e-billing; and
 - Proposals to increase the Borough Council's element of Council tax by, on average, £5 per year.
132. As part of the budget setting process, consultation on these proposals will be undertaken (see below) and the results of the consultation taken into account before any proposals are finalised. This will include consideration of alternative courses of action and/or actions that could be taken to reduce any potential negative impacts on those with protected characteristic groups.
133. The Local Council Tax Support Scheme is designed to help low-income council taxpayers, who are largely unemployed, or disabled, or low-income earners or pensioners. There are no significant changes proposed for the next financial year which would impact on a specific group of taxpayers. The proposed Scheme review will include consultation with all affected stakeholders.

COMMUNICATION IMPLICATIONS

134. The Council continues to offer value for money for Council residents – in 2021/22, the average household pays just £4.57 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.

135. Central to the Council’s communications and engagement strategy is not only to promote the good work that the Council does and the great services it provides, but also to make sure that our annual service & financial planning process reflects what our residents and businesses need. Development of the 2020-2025 Corporate Plan was supported by extensive consultation with residents and other partners to ensure that our priorities remain relevant up to 2025.
136. It should be noted that one element of the service & financial planning proposals for 2022/23 is to move to one (rather than two) publications of the Council’s Borough News magazine per year – this is reflective of the changing ways in which the Council communicates with residents, including an increase in social media engagement. The Council will continue to include a range of methods and modes of communicating with residents, of which the Borough News will remain one.

RISK MANAGEMENT CONSIDERATIONS

137. 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.
138. The risks relating to the long term financial sustainability of the Council remain on the strategic risk register and controls and mitigating actions are regularly reviewed. They are set out in the MTFP at Annex 2 (Appendix 3).
139. Service & financial planning risks: the service and financial plans contained within this report are aimed at minimising risks and ensuring that the Council continues to deliver great services whilst managing budgets and other resources well.
140. Local Council Tax Support scheme risks: there are ongoing risks associated with not carrying out a review of the Scheme. It needs to current circumstances and the costs of processing claims have to be managed as they all fall on this authority. The window of opportunity for consultation is growing ever smaller and significant changes will require wide consultation to avoid the risks of legal challenge, which again are borne entirely by this authority. This does not however prevent the Council from managing and controlling other areas of the Council Tax base, such as discounts and exemptions.

HUMAN RESOURCE IMPLICATIONS

141. The Council will need to maintain workforce capacity and skills to enable the organisation to diversify and deliver again Corporate Plan ambitions.
142. The service & financial planning proposals for 2022/23 set out in this report result in an overall change in FTE numbers as set out in the table below; the final position will be confirmed in the January budget report

Table 21: STAFF ESTABLISHMENT - FTE MOVEMENTS 2021/22 TO 2022/23		
STAFF ESTABLISHMENT 2021/22 (including fixed term posts)		534.0
Net Permanent Posts to be Created as part of 2022/23 Service & Financial Planning Growth		
Annex		
3.1	Electoral and Democratic Services : net change in FTE following a restructure of restructure of the team under one manager (previously two); including changes to grades and working hours of existing staff and appointment of a new Electoral Services apprentice.	0.6

Table 21: STAFF ESTABLISHMENT - FTE MOVEMENTS 2021/22 TO 2022/23		
STAFF ESTABLISHMENT 2021/22 (including fixed term posts)		534.0
3.1	Planning: deletion of a vacant funded post.	(1.0)
3.1	Waste & Recycling: additional waste crew required due to increased household demand across the borough.	3.0
3.1	Management Team: reduction following the proposed review and restructure of current senior management team budget.	(2.0)
FORECAST STAFF ESTABLISHMENT 2022/23		534.6
NET INCREASE/(DECREASE)		0.6

143. The final budget proposals and Medium Term Financial Plan forecasts will include provision for an annual cost of living pay award for staff. This award is subject to negotiations with staff representatives and will depend on 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).

CONSULTATION

144. Consultation will be carried out in line with the Council's budget and policy framework. This includes consideration by the Overview & Scrutiny Committee.
145. The Overview & Scrutiny Committee has established a Budget Scrutiny Panel to support this work. The Panel is scheduled to meet on 1 December 2021. It is anticipated that the Panel's report will be considered by the Overview & Scrutiny Committee on 9 December 2021. Any comments or recommendations will be reported to the Executive meeting on 16 December 2021.
146. 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.
147. General consultation with local businesses on the proposal in this report will be achieved as in past years through activities coordinated by the Economic Prosperity Team, including business networking events and using the Council's business e-newsletter.
148. Any interested parties will be able to respond to the budget consultation, and publicity will be produced following this meeting explaining how to submit comments in writing or via email. Targeted consultation will also take place with stakeholder groups that may be impacted by specific proposals.

POLICY FRAMEWORK

149. 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 its Corporate Plan and services to residents and businesses.

Background Papers:

Medium Term Financial Plan Update, report to Executive on 22 July 2021

Capital Investment Strategy 2022/23, report to Executive on 22 July 2021

Service Plans, 2022/23 to 2025/26, copies of draft Service Plans can be viewed in the Members' Section of the Modern.Gov Library.

List of Annexes:

- 1 Policy Context
- 2 Medium Term Financial Plan - Summary
- 3 Revenue Budget – Growth, Income and Savings Proposals
- 4 Capital Programme - Growth Proposals
- 5 Fees & Charges Policy
- 6.1 Revenue Reserves at 1 April 2021
- 6.2 Reserves Policy