

Council Meeting: 11th April 2013

Mr J Grant will ask the **Leader of the Council** the following question:-

COUNCIL TAX AND RESERVES

I was disappointed to see that the Council decided to raise Council Tax 2% rather than draw on some of its considerable reserves. The last accounts show you had £50million in cash and short term investments at 31 March 2012 - what are the Council's plans for using this 'cash mountain'?

OBSERVATIONS

Our Council Tax had been frozen for 3 years before this below-inflation increase.

Part of the reason for being able to achieve that is the use of our reserves.

Most of the "cash mountain" you refer to is the result of prudent financial management of the money we received when we transferred the housing stock in 2002.

As it is classed as a "capital receipt" we cannot use this to cover our day-to-day expenses - which increase with inflation like everything else.

Nevertheless, a plan to spend significant elements of the money was approved by this Council at its meeting on 14 February. It is called our Capital Programme and it contains many projects - including the construction of a new Leisure Centre in the north of the Borough and the regeneration of Redhill Town Centre.

Until we have a prudent plan to use the remainder it will be invested and the income generated will be used to assist in the delivery of services and in keeping future Council Tax increases to a minimum.

We are not averse to using this money but will do so wisely to meet the needs of our residents and to help bring forward schemes that will generate income in the future. In that way we will maintain our excellent record of financial management and not have to deal with the

“which services do we cut next” dilemmas faced by those Councils with no reserves.

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Mr Brian Horne will ask the **Executive Member for Housing and Welfare** the following question:-

MEMBERS ALLOWANCES AND STAFF PAY AWARD

At the Council Meeting held last December, an interesting debate took place on the Members' Allowances Scheme. The Executive Member proposed, by way of an amendment, that Members' allowances be capped at a 2% increase in line with the staff pay award, in defiance of the Independent Remuneration Panel's recommendation of 2.7% uplift.

Is the portfolio holder aware that a 2% uplift in Officers' salaries for around 400 staff amounts to £292,169 whereas a 2.7% increase for 51 Councillors amounts to £7,792?

OBSERVATIONS

Councillor Ellacott to prepare response.