

Recommendation from the Executive – 27 January 2022

Minute
reference
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Budget & Capital Programme 2022/23

Executive Member for Finance and Governance, Councillor Schofield, introduced the Budget 2022/23 & Capital Programme 2022 to 2027 report. This presented the final proposals for 2022/23 onwards resulting in a net revenue budget requirement of £19.980 million (which was £2.585 million higher than the budget for 2021/22) along with a recommended council tax increase of £5 for an average Band D property.

Service budget growth of £785k was recommended, mainly due to a £1.1m reduction in income from car parking and £115k reduction in benefit subsidy, partly offset through parking and efficiencies in Service Budgets of £430k. Central budgets are also set to rise by £1.8m to fund staff pay increases, pension contributions and borrowing costs for the delivery of the approved Capital Programme.

The proposals had been subject to a thorough review by Members of the Budget Scrutiny Panel and the Overview & Scrutiny Committee.

In response to questions from Visiting Members it was confirmed that:

- Pay negotiations were ongoing. The rising costs of living affected all residents. Executive Members were raising this issue with the government and MPs.
- The budget allowed for an additional crew to carry out the extra recycling work that was expected. This recycling revenue may be greater than the costs of the additional crew, but this was an estimate as it depended on the payments the Council finally received for recycling.
- The environmental sustainability budget allowed for additional work and costs involved in carrying out the Strategy.
- The collection fund payments were paid to the County Council and Police Authority based on an agreed schedule during the year; the final position is then confirmed at a later stage.

The Chair of Overview and Scrutiny Committee, Councillor Harrison, explained that the Budget Scrutiny Panel and the Overview and Scrutiny Committee had examined the proposed budget in depth at December meetings. Overview

and Scrutiny Committee had also looked at the final proposed budget changes at its meeting on 20 January. It was noted that the budget gap had been met. The Committee was pleased that the Executive had been able to continue to fund the taxi voucher scheme. The Committee had asked for a note about the likely impact on inflation and the Council's utility costs before Council met to approve the budget on 10 February. Councillor Harrison thanked the Executive and Officers for their work on this year's budget plans. He stressed the importance of the financial sustainability plan for next year's budget.

The Leader noted the responses to the public consultation from the residents and local groups. He thanked Executive Members and Officers for their work to close the budget gap which had been helped by receiving government funding. This government support had now ended so difficult decisions remained next year. He was pleased to see that the level of funding for the Banstead Commons Conservators had been maintained and was due to meet with them to work through their financial sustainability plans.

RESOLVED:

That Executive RECOMMEND to Council:

- 1) The latest Medium-Term Financial Plan forecast at Annex 1.**
- 2) A Revenue budget requirement of £19.980 million for 2022/23, as set out in this report and at Annex 2, which reflects:**
 - **Service budget savings of (£0.430) million (net); including additional savings of (£0.315 million) at Annex 2;**
 - **Service budget growth for Government funding reductions of £0.115 million;**
 - **Service budget growth for parking income losses of £1.100 million; plus**
 - **Central budget growth of £1.800 million.**
- 3) An increase in Reigate & Banstead's Band D Council Tax of £5.00 (2.11%) and a final tax base of 62,274 Band D equivalents;**
- 4) The forecast for Revenue Reserves (Annex 3) and the recommended use of £1.777 million from Reserves in 2022/23 comprising:**

- £0.115 million from the Government Funding Risks Reserve to fund reduced housing benefit subsidy; and
 - £0.350 million from the Pensions Reserve to fund 2022/23 employer pension contributions; and
 - £1.100 million from the COVID-19 Risks Reserve to fund reduced income from parking fees; and
 - £0.212 million from the General Fund Balance to support the 2022/23 Revenue Budget;
- 5) A Capital Programme of £45.297 million for 2022/23 to 2026/27 as set out in this report and at Annexes 4.1 and 4.2, including net Capital Programme Growth Proposals of £4.993 million.
- 6) The Chief Finance Officer's report on the robustness of the Budget estimates and adequacy of Reserves.

That Executive authorised:

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

That Executive noted:

- 8) Plans to submit IT Strategy investment proposals for approval by Executive.