

**BOROUGH OF REIGATE AND BANSTEAD**  
**BUDGET SCRUTINY REVIEW PANEL**

Minutes of a meeting of the Budget Scrutiny Review Panel held at the Executive Meeting Room - Town Hall on 29 November 2022 at 7.30 pm.

Present: Councillors H. Avery, J. C. S. Essex, N. D. Harrison (Panel Chair) and S. Parnall

**1. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor A King and Councillor Elbourne. Councillor Blacker was due to attend virtually but did not attend.

Councillor Harrison was Chair of the Panel.

**2. SERVICE AND FINANCIAL PLANNING 2023/24 - REPORT AND SUPPORTING DOCUMENTS**

The Chair, Councillor Harrison, welcomed the Leader, Councillor Brunt; Councillor Schofield, Executive Member for Finance and Governance; Mari Roberts-Wood, Managing Director; Pat Main, Chief Finance Officer; David Brown, Finance Manager and Frank Etheridge, Strategic Head of Neighbourhood Services.

The Chair reminded all present of the Panel's aims, which were to determine whether the Service and Financial Planning proposals for 2023/24, were achievable, realistic, and based on sound financial practices.

Ahead of the meeting, the Service and Financial Planning 2023/24 Report and supporting documents were circulated as part of the Advance Questions process for the Budget Scrutiny Panel Members. The Service and Financial Planning 2023/24 Report was adopted for consultation by the Executive on 17 November 2022.

**2.1 Advance Questions - Responses**

Advance Questions from Panel Members were received on 18 November and were sent for consideration to officers. The responses provided by the Finance team and Heads of Service were circulated to Panel Members on 28 November.

Members of the Panel had submitted a total of 76 Advance Questions, which had been grouped according to the document to which they referred.

The Panel reviewed the responses to the Advance Questions received and asked supplementary questions. The Leader, Deputy Leader and Portfolio Holder for Finance and Governance, and attendant officers provided further information in response to questions and additional points of discussion.

There was also a small number of requests for supplementary information

that officers agreed to provide in writing when available.

The outcome of the Panel's work would be set out in the Budget Scrutiny Panel report which would be published as an Addendum to the agenda pack for Overview and Scrutiny Committee's 8 December 2022 meeting. This would include comments and recommendations from the Panel to the Overview and Scrutiny Committee on 8 December 2022 following its review and discussions of the Service and Financial Planning 2023/24 report and supporting papers.

### **3. CONCLUSIONS AND RECOMMENDATIONS**

The Panel discussed the information provided and the observations and recommendations below were agreed.

The Panel agreed that in response to the Service and Financial Planning 2023/24 report and supporting documents to Executive on 17 November 2022, the following observations and Recommendations from the Budget Scrutiny Panel be submitted for consideration by the Executive, that:

- (i) The national and local policy context and significant financial uncertainties at this stage in the budget-setting process were noted along with the associated uncertainties and risks.
- (ii) The service proposals set out in the report which seek to respond to this context and deliver corporate policies be endorsed.
- (iii) The draft service business plans for 2023/24 to 2025/26 be approved, and that Heads of Service be authorised to finalise their plans for their service areas in consultation with the relevant Portfolio Holders.
- (iv) The following be approved for consultation under the Council's budget and policy framework:
  - a) Medium Term Financial Plan Forecasts and proposed actions to address the forecast Revenue Budget gap;
  - b) Service Revenue Budget growth proposals totalling £0.442 million, savings of (£0.828) million and additional income of (£1.186) million;
  - c) Central Revenue Budget Savings proposals totalling (£0.897) million. The Panel noted that the £1.500 million budget for pay increases was not specifically referenced in this Recommendation but acknowledged that it was included in the supporting tables and narrative in the body of the report;
  - d) Revenue Issues, Risks and Opportunities totalling £2.407 million, to be funded from earmarked Reserves as necessary;
  - e) Revenue Reserve Balances at 1 April 2022 of £45.596 million
  - f) A forecast balanced Revenue budget for 2023/24, subject to final confirmation of the outstanding items; and

g) Capital Programme Growth proposals totalling £7.683 million

With the provision of a clearer explanation for the £1.5million for staff salary growth under c) Central Revenue Budget Savings proposals.

- (v) The Fees & Charges Policy was noted.
- (vi) The Reserves Policy was noted
- (vii) The Local Council Tax Support Scheme be reviewed during 2023/24 and the outcome be reported as part of Service & Financial Planning for 2024/25.
- (viii) Assumptions and individual budgets were to be reconsidered following the December Government financial settlement announcement, consequently the Panel did not draw a final conclusion on the overall Budget proposals for 2023/24.
- (ix) The final Service and Financial Planning 2023/24 report to Executive on 26 January will also be an agenda item for discussion at Overview and Scrutiny Committee on 19 January.
- (x) The Panel considered the explanations in the Budget report for year on year changes in the budget and found the Budget proposals to be achievable, realistic and based on sound financial practices and reasonable assumptions, subject to the outstanding matters set out in (i), (ii) and (iii) above.
- (xi) The Panel noted that the proposed savings were not expected to have a significant impact on service scope or quality.
- (xii) The Panel noted that inflation cost pressures had been addressed in the Budget on a case by case basis. The Panel expressed concern about recent inflationary pressures which put short-term inflation well above the Bank of England target and suggested this would put unbudgeted upward pressure on the cost of goods and services and on personnel costs.
- (xiii) The Panel noted that the Budget for 2022/23 included the use of £2.407 funding from earmarked Reserves, as necessary, and that the use of these Reserves was necessarily a one-off source of funding.
- (xiv) The Panel noted some reductions were proposed in the grants and funding to voluntary organisations. The Panel were concerned about the impact on residents of reducing funding for voluntary organisations and would urge the Council to communicate with residents about this and the help that is available to any residents who were struggling financially, and to encourage residents to approach the Council if they required assistance.
- (xv) Inflationary cost pressures were increasing, primarily in fuel and energy costs and the Panel requested information regarding how these increases would be dealt with.
- (xvi) With regards to the Financial Sustainability Programme, the Panel noted that there had been substantial savings identified.

- (xvii) There are approximately twenty vacant posts at any given time, which the Panel equates to approximately £1million in salary and on-costs.
- (xvi) Reserves continued to be drawn on and that some Reserves will be supplemented through making savings in some areas. The Panel asked a schedule of the level of reserves for the last three years showing the funds drawn and the funds added, to ascertain whether Reserves are reducing overall.

The Panel thanked Portfolio Holders and officers for the substantial work in preparing the Budget 2022/23 report and for the written responses to the 76 advance questions from Members.

#### **4. NEXT STEPS**

The following timetable sets out the next steps:

Overview and Scrutiny Committee considers the Budget Scrutiny Panel report and recommendations	8 December 2022
Executive to consider summary of key points from Overview and Scrutiny Committee	15 December 2022
Overview and Scrutiny Committee considers final Budget 2023/24 report	19 January 2023
Executive to receive final Budget 2023/24 report	26 January 2023
Full Council approve Budget and Council Tax recommendations from the Executive	9 February 2023

#### **5. ANY OTHER URGENT BUSINESS**

There was no other urgent business.

The Meeting closed at 9.45 pm