

Recommendations from the Executive – 26 January 2023

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Budget 2023/24 and Capital Programme 2023/24 to 2027/28

The Deputy Leader and Portfolio Holder for Finance and Governance, Councillor Schofield, presented the final revenue and capital budget proposals for 2023/24 onwards as set out in the published report and annexes of the agenda pack. This recommended the net revenue budget requirement of £23.194m (£3.214m higher than the budget for 2022/23). A recommended council tax increase of 2.99% (equivalent to £7.25 a year) for the average Band D property was proposed.

The increased budget reflected higher energy cost pressures, potential property voids and planned investment in IT. These pressures had been offset by identifying £828k of savings and additional income of £1.186m.

Central budgets were also set to rise by £2.943m to fund staff pay increases, pension contributions and shortfalls in housing benefits subsidies. These pressures were offset from savings in other central budgets, with the balance being funded from increased income from council tax, business rates and government grants.

In total, it was proposed that council tax income rise by just over £1m in 2023/24. The Council's share of business rates will increase to £2.2m compared to recent years. There had been a more favourable government settlement and net increased in government grants than in recent years.

Councillor Schofield noted that the additional 1% allowable increase in Council Tax to 2.99%, announced just before Christmas, had not been anticipated when drafting the budget in the autumn. The increasing economic pressures on residents over the coming year was recognised; an economic pressures reserve of £150k (equivalent to 1%) would provide additional discretionary support as and when needed.

The Financial Sustainability Programme was continuing to look at how the Council's assets were performing, explore opportunities to generate new sources of income and ensure all services deliver value for money.

The Reserve budgets were healthy to help manage future budget risks and opportunities. The General Fund Balance at £3.5m remained more than adequate to cover financial risks. Capital growth for 2023 to 2028 was set at £7.7m,

primarily to continue the programme of investment in the Council's land, property and vehicle assets over the five-year period.

The budget proposals had been subject to thorough review by Members of the Budget Scrutiny Panel in November and by the Overview and Scrutiny Committee in December. Their findings and recommendations were reported separately to Executive on 15 December. An update to the budget had been considered by Overview and Scrutiny Committee at its meeting on 19 January. The proposed Budget will go to Full Council on 9 February.

Councillor Harrison, Chair of Overview and Scrutiny Committee, noted the proposed budget changes from December. These included: the proposed updates to council tax, increased business rates and an increase in core spending to meet secondary pension contributions. Increased government grants meant that there was less need to draw on earmarked reserves which was a positive net change from December to January. There were no specific recommendations from the Committee.

Visiting Members made comments and asked questions on the following points:

- **Pay award 2023/24** – It was confirmed that an increase of £1500 for all staff (with the exception of the most senior managers taking a pay freeze) had been offered and accepted by the unions. A one-off payment was considered a sensible and fair approach to reflect the cost of living pressures and high inflation.
- **Government grants** – Members asked questions about the government settlement which had been announced just before Christmas. This had been more generous than in previous years including a proposed council tax uplift to 2.99%. Members asked how residents would benefit from the additional grants and council tax income. Councillor Schofield confirmed that the economic pressures reserve had been set up to assist residents affected by the cost of living crisis and allow it to be distributed to service areas where residents were most in need. Pat Main, Chief Finance Officer, confirmed that the overall net change between November and January was £1.78m which comprised the additional council tax,

final share of business rates and increased government grants.

- **Fees and charges** – Members raised concerns about proposals to increase waste charges leading to increased cost to clear up fly-tipping waste. It was confirmed that garden waste subscriptions paid by residents would increase from £65 to £68 to cover increased costs such as fuel charges.
- **Voluntary and charitable sector** – Members asked about the impact in reduction of grants to voluntary and charitable organisations. Portfolio Holder for Community Partnerships, Councillor Ashford, said that discussions had been held with seven voluntary organisations providing services as part of the budget consultation to better understand how they might manage a funding grant reduction. (More information was set out in the summary of the Equality Impact Assessment 2023/24 budget proposals summary (Annex 1 p116). It was noted that this would increase the pressure on fundraising. However, the community partnerships team were working closely with the voluntary organisations throughout the year; money set aside in the economic pressures reserve could be used to support funding requests in the coming year to those areas in particular need.

It had been suggested that one potential option to be explored was to set up a community-based lottery, such as that run by other councils, to support this area of work. Members asked about the suitability and potentially negative impact of this tactic. It was agreed that all aspects of any such proposals would be well considered before a decision was made to proceed.

Leader, Councillor Mark Brunt, recognised the continued pressures on voluntary sector partners and an uncertain 18 months ahead. It was important that the additional 1% from council tax revenues was put aside to support voluntary sector partners and people at risk of homelessness.

He thanked Officers and Executive Members as well as the Budget Scrutiny Panel and Overview and Scrutiny Committee for their work on the 2023/24 Budget and Capital Programme.

RESOLVED:

That Executive RECOMMEND to Council:

- (i) **The latest Medium-Term Financial Plan forecast at Annex 1.**
- (ii) **An increase in Reigate & Banstead's Band D Council Tax of £7.25 (2.99%) and a final tax base of £63,495.31 Band D equivalents;**
- (iii) **A Revenue budget requirement of £23.194 million for 2023/24, as set out in this report and at Annex 2, which reflects:**
 - **Service budget growth proposals totalling £0.442 million, savings of (£0.828) million; additional income of (£1.186) million and forecast issues, risks and opportunities totalling £1.843 million;**
 - **Central Revenue Budget net growth proposals totalling £2.379 million and forecast issues and risks totalling £0.564 million;**
- (iv) **The forecast for Revenue Reserves (Annex 3) and the recommended use of £0.977 million from Reserves in 2023/24 comprising:**
 - **£0.493 million from the IT Strategy Reserve to fund implementation of the approved IT Strategy; and**
 - **Up to £0.484 million from the Government Funding Risks Reserve, where necessary, to fund the forecast reduction in housing benefit subsidy;**
- (v) **A Capital Programme of £59.899 million for 2023/24 to 2027/28 as set out in this report and including net Capital Programme Growth Proposals of £7.672 million;**
- (vi) **The updated Fees & Charges Policy (Annex 7)**
- (vii) **The Chief Finance Officer's report on the robustness of the Budget estimates and adequacy of Reserves.**

The Executive AGREED to authorise:

- (viii) **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.**

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Council Tax 2023/24

Councillor Schofield, Deputy Leader and Portfolio Holder for Finance and Governance, introduced the technical report to Executive setting out the Council Tax 2023/24 calculations and Recommendations to Full Council for debate on 9 February 2023. (Pages 165 to 167 in the report).

The reasons for the Council's recommended increase of 2.99% (equivalent to £7.25 a year for an average Band D property) were set out in the Budget report to Executive.

This was an increase of 14p a week for the average household. Surrey County Council was due to meet on 7 February and it was expected that their share of the council tax would rise by 4.99%, including the adult social care precept. The Surrey Police share of the precept, due to be considered on 3 February by the Police and Crime Commissioner, was expected to be a £10 increase.

Overall, this means that the Reigate & Banstead Borough Council element of the council tax was just under 11% of the combined Band D council tax (including precepts) which will increase by £103.14 or 4.6% in total from April. In addition, sums would be charged to Salfords & Sidlow Parish Council and Horley Town Council as detailed in the report.

There were no comments from Executive Members.

A Visiting Member asked for an explanation of two figures in the report recommendations; the Chief Finance Officer agreed to provide a written response (and set out below, following the meeting).

Recommendation (i) (a): The figure of 63,495.31 is the forecast council tax base for 2023/24 that has been used to calculate the income to be received from council tax

Recommendation (iii) (a): The figure of £70,033,431 represents the gross annual revenue budget for 2023/24 (as calculated in line with the council tax-setting regulations).

Executive members noted the Recommendations, and it was:

RESOLVED that the Executive RECOMMEND to Council:

- (i) Be noted that on 1 December 2022 the Council calculated:
- a) the Council Tax base 2023/24 for the whole Council as 63,495.31

[Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the “Act”)] and,

- b) for dwellings in those parts of its area to which a Parish precept relates:
- Horley Town Council 10,991.72
 - Salfords & Sidlow Parish Council 1,443.97

The ‘tax base’ is the number of Band D equivalent dwellings in a local authority area.

Detailed calculations of the Council Tax are set out in Annexes 1, 2 & 3.

- (ii) Calculate that the Council Tax requirements for the Council’s own purposes for 2023/24 (excluding Parish precepts) is £15,855,416
- (iii) That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:
- a) £70,033,431 – being the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils
- b) £53,610,084 – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
- c) £16,423,347 – being the amount which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 32(4) of the Act).
- d) £258.65 – being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).
- e) £567,931 - being the aggregate amount of all special items (Parish precepts) referred to in

Section 34(1) of the Act (as per the attached Appendix).

- f) £249.71 - being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.**
- g) Horley Town Council £297.47
Salfords & Sidlow Parish Council £279.43
Being the amounts given by adding to the amount at 3(f) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.**

(iv) It be noted that the figures in the attached Appendix being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportions set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in different valuation bands.

(v) Having calculated the aggregate in each case of the amounts 1 to 5, above, the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts of Council Tax for the year 2023/24 for each of the categories of dwellings shown in Annex 3.

(vi) It be noted that for the year 2023/24 Surrey County Council and Surrey Police and Crime Commissioner have not yet stated amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown in Appendix 2.

(vii) Authorise the Chief Finance Officer to make any amendments to the Council Tax demands as might

prove necessary as the result of changes to the estimated demands issued by preceptors on the Council's Collection Fund.

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CALENDAR OF MEETINGS 2023 – 2024

Executive members considered the Calendar of Meetings for the 2023/24 Municipal Year set out in the cover report published in the agenda pack.

An Addendum to the agenda pack set out the [updated Calendar of Meetings 2023-24](#) for the coming Municipal Year. This included two date revisions to avoid meetings in the Easter holidays in 2024 following feedback received at the Overview and Scrutiny Committee on 19 January 2023.

The Leader noted that special effort had been made to limit meetings being held in school holidays in order for Council business to be inclusive to Members and working parents with school age children. This would enable maximum representation at Full Council and adjustments had been made to reflect this in the updated Calendar.

RESOLVED that the Executive RECOMMEND to Council:

- 1. The draft Calendar of Meetings for 2023/24 Municipal Year as set out in the Report and in the Addendum to the Executive agenda pack.**