

Follow Up Questions from Overview & Scrutiny 07 September 2023

See meeting information here:

[Agenda for Overview and Scrutiny Committee on Thursday, 7th September, 2023, 7.30 pm | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Agenda Item 5

Quarter 1 2023/24 Performance Report

Question 1 – KPI 2 – The % of Business Rates collected – Members requested the data on the potential business rates if all rateable properties were occupied.

Written Answer

Business owners can claim empty property relief, meaning they do not have to pay Business Rates on an empty property for 3 months once the property becomes empty. After this time most businesses must pay full Business Rates.

The following properties can get extended empty property relief:

- industrial premises (for example warehouses) are exempt for a further 3 months
- listed buildings - until they're reoccupied
- buildings with a rateable value under £2,900 - until they're reoccupied
- properties owned by charities - only if the property's next use will be mostly for charitable purposes
- community amateur sports clubs buildings - only if the next use will be mostly as a sports club

In Quarter 1 2023/24, the total empty property relief awarded was £2.55m. This would therefore be additional Business Rates that could be collected if these properties were not empty. It is worth noting that £1.98m relates to one specific property, which receives 100% empty property relief as a listed building.

The overall collection of Business Rates for Reigate & Banstead has been amongst the best in the country for several years. In 2022/23, the in-year collection rate was 99.9%, which is likely to be the highest in the country. In 2021/22, Reigate & Banstead had the highest collection rate in the country.

The 2022/23, the total value of Business Rates collectable was £50.2m. In context, we wrote off £361K in 2022/23 which represents 0.72% of the overall liability raised. Common reasons for writing off a debt are where a company goes into liquidation or has been dissolved, or where an individual has died or absconded without trace. It is noted that all efforts to recover outstanding debts are taken and writing off a debt is a last resort or where we can no longer legally recover the debt.

Question 2 - KPI 5 – The % of positive homelessness prevention and relief outcomes – Members asked for a written answer detailing the number of local properties available for emergency accommodation and the intended number for the entire year.

Written Answer

The Council procure most of the emergency accommodation we use from private providers and pay a nightly rate depending on the type and size of emergency accommodation. The Council use many providers and are always looking for new providers. Each provider has their own stock that is either owned or leased by them. The Council does not know how many properties each provider has access to, we spot purchase at the point we need accommodation for homeless households that we have a statutory duty to provide emergency accommodation for. Wherever possible we arrange emergency accommodation in the Borough and if not possible, move them back into the Borough at our first opportunity.

With regards to how many units of emergency accommodation the Council own, currently we own and manage 10 units for families in Horley and have Executive approval to purchase a smaller emergency accommodation property for single people – most likely to accommodate around 4-6 people.

It is worth pointing out that emergency accommodation is used as a stepping stone into temporary accommodation for applicants, as well as around 55 households in nightly paid private emergency accommodation at the time of writing, the Council accommodate around 130 families in self-contained temporary accommodation whilst they wait for suitable private rented accommodation or social housing via the waiting list. The temporary accommodation is owned by Raven, Accent Housing, and the Council. In the last 10 months the Executive has agreed to part fund the purchase of 11 temporary accommodation properties to remain in Council management and ownership, as well as support Mount Green and Raven with the purchase of 4 properties each. The remainder of funding is coming from a partnership with Homes England, DLUHC and the two Registered Providers.

Question 3 - Treasury Management – the Chief Finance Officer offered to provide a written explanation for the treasury management benchmarks and their relevance.

Written Answer

All local authorities are required to set prudential indicators including the Liability Benchmark, the Authorised Limit, and the Operational Boundary.

The Liability Benchmark is a predominantly a projection of an authority's future expected borrowing needs, or, if they are not expected to have a borrowing need, their future investment balances. It is important in assisting with forward planning. It is the Liability Benchmark indicator which allows RBBC to confirm that it does not need to long term borrow at the present time and is only likely to need to borrow short term at certain points in the near future.

The Authorised Limit is required by law and is an ultimate limit on how much the local authority can borrow.

The Operational Boundary is a lower limit for borrowing: RBBC should aim to have borrowing below the Operational Limit the majority of the time but can have borrowing exceeding it in the short term – for example to meet a temporary cash flow need.

If the Operational Boundary were to be breached frequently or for long term periods, this acts as a warning indicator that the Authorised Limit may be in danger of being breached. The purpose of both indicators is to limit borrowing to what is affordable and prudent.

If the Council borrows excessively, it may ultimately not be able to afford the repayments and interest on any loans, in much the same as an individual who borrows excessively may not. Although the Council's current borrowing expectations are reasonably modest and long-term borrowing is not expected to be needed, this could change, for example if the Council were to approve new expensive capital projects in the future.

The borrowing limits are therefore considered in conjunction with any future spending plans to help ensure that the Council does not commit to unaffordable borrowing and expenditure.

Question 4 – Service Budgets - Members requested an explanation for the forecast overspends in the IT and HR & OD budgets.

Written Answer

Organisational Development & Human Resources

The OD & HR service is currently forecast to overspend by £117k in 2023/24 and this is driven by the use of external resources to support the ongoing restructure of the internal team. Although the restructure has taken longer than originally anticipated it is now forecast to be complete before the end of 2023/24. The cost of the service for 2024/25 is currently forecast to be in line with budget, which includes the £100k overall saving that was approved during budget setting in February this year.

ICT

A large proportion of the ICT budget relates to hardware and software support charges, and a lot of vendors have imposed very high percentage increases upon contract renewal, and this has been compounded by exchange rate movements in the case of US suppliers such as Microsoft. In addition, there are higher than anticipated costs for some more recently implemented systems such as Fortinet, and a new Vodafone contract that has increased in cost due to a new cyber security package.

A review of the current contracts has taken place and is expected to result in a budget growth request for 2024/25 (to be included in the November budget proposals) to cover these unavoidable increases in vendor costs.

Agenda Item 6

Environmental Sustainability Strategy Annual Report

Question 5 – Recycling and waste – Members requested an update on plans for the full recycling service being offered to all flats.

Written Answer

Following the completion of Phase 1 & 2 of the flats recycling rollout in 2021, it was agreed that remaining flats would be assimilated onto service as part of the Council's normal business activity.

Since the completion of Phase 1 & 2 a further 583 flats have been added to the full recycling service. All new build flats receive the full service as part of the development process, and this has totalled nearly 1,000 flats over this same period.

At present approx. 5,700 flats are identified as awaiting the full recycling service. Members are aware that the progress of the rollout is dependent on Landlords and Freeholders making alterations to bins stores and access routes, so the pace of these improvements is outside of the direct control of this Authority.

However, as opportunities arise, flats will be included on the full service.

Planning continues and, at the moment we are looking to rollout another 300 flats, whilst we are working on agreements with 300 more, and targeting the development of a further 500 flats. The current schedule is to upgrade between 50-100 flats per month to the full recycling service.

Question 6 – Improvement to Council buildings – Members requested an update on LED replacement roll out across Council buildings.

Written Answer

A response is underway and will be shared as soon as it becomes available.

Agenda Item 7

Overview and Scrutiny Forward Work Programme and Action Tracker

Question 7 - Members asked for the following action from 6 July 2023 meeting to be re-opened to receive a response on the net return on the portfolio over a period of time, ie the price paid for the asset plus any additional capital expenditure costs for upkeep; and the revenue generators minus operational costs:

Capital Assets - Members requested information on the net yield from the assets listed in the report, together with the portfolio total gross and net yield.

Written Answer

A response is underway and will be shared as soon as it becomes available.