

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 2023 at 7.30 pm.

Present: Councillors M. S. Blacker, J. C. S. Essex, N. D. Harrison, G. Buttironi, P. Chandler, J. Dwight and B. Green

Visiting Members Present: Councillors R. Biggs, J. Baker, S. Kulka, V. Lewanski, K. Sachdeva, J. Thorne

6. ELECTION OF CHAIR

Councillor Essex nominated and Councillor Buttironi seconded Councillor Harrison as Chair of the Panel for the 2023/24 Municipal year.

RESOLVED that Councillor Harrison be elected Chair of the Budget Scrutiny Panel for the 2023/24 Municipal Year.

7. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies, all panel members were present.

8. SERVICE AND FINANCIAL PLANNING 2024/25 - REPORT AND SUPPORTING DOCUMENTS

The Chair, Councillor Harrison, welcomed the Leader, Councillor Biggs; Councillor Lewanski, Deputy Leader and Executive Member for Finance, Governance and Organisation; Mari Roberts-Wood, Managing Director; and Pat Main, Chief Finance Officer. David Brown, Finance Manager and Brian Thompson, Consultant, were in attendance virtually.

The Chair reminded all present of the Panel's aims, which were to determine whether the Service and Financial Planning proposals for 2024/25, were achievable, realistic, and based on sound financial practices.

Ahead of the meeting, the Service and Financial Planning 2024/25 Report and supporting documents were circulated as part of the Advance Questions process for the Budget Scrutiny Panel Members. The Service and Financial Planning 2024/25 Report was adopted for consultation by the Executive on 16 November 2023.

Advance Questions - Responses

Advance Questions from Panel Members were received on 17 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 27 November.

Members of the Panel had submitted a total of 82 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, Governance and Organisation, 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 meeting on 7 December 2023. This would include comments and recommendations from the Panel to the Overview and Scrutiny Committee following its review and discussions of the Service and Financial Planning 2024/25 report and supporting papers.

9. 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 2024/25 report and supporting documents to Executive on 16 November 2023, 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 (Annex 1) 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 this report which seek to respond to this context and deliver our corporate priorities, be noted.
- (iii) The draft service business plans for 2024/25 to 2026/27 be noted.
- (iv) The Panel tested the explanations in the Budget report for year on year changes in the revenue budget (savings, income and growth) in the context of the actual expenditure for the previous year and current year in respect to the services to be provided.
- (v) The Panel found the Budget proposals to be reasonable and in relation to the budget consultation and subject to the outstanding issues and risks commented on below, the Panel considered the following to be achievable, realistic, and based on sound financial practices:
 - a. Medium Term Financial Plan Forecasts and proposed actions to address the forecast Revenue Budget gap (Annex 2);
 - b. Service Revenue Budget growth proposals totalling £0.943 million, savings of (£1.719) million and additional income of (£0.540) million (Annex 3);
 - c. Continued funding support for Banstead Commons Conservators for a further three years (2024/25 to 2026/27);

- d. Central Revenue Budget savings and growth proposals totalling (£0.376) million, and £1.75m provision for the 2024/25 pay award (Annex 3);
 - e. Agreement of a new 10 year Section 136 agreement with Horley Town Council;
 - f. Revenue Issues, Risks and Opportunities totalling £0.964 million, to be funded from earmarked Reserves as necessary;
 - g. Revenue Reserve Balances at 1 April 2023 of £35.474 million (Annex 6.1); and
 - h. A forecast balanced Revenue budget for 2024/25, subject to final confirmation of the outstanding items.
- (vi) The Capital Programme Growth proposals totalling £3.175 million (Annex 4) was reviewed. (This is revised down from the original £3.976 million.)
 - (vii) The Fees & Charges Policy (Annex 5) was noted.
 - (viii) The Reserves Policy (Annex 6.2) was noted.
 - (ix) The Panel supported the following changes to the Local Council Tax Support Scheme to be adopted from 2024/25:
 - a. Removal of the maximum award of 90% Council Tax liability for 1,800 households and increasing the award to 100%;
 - b. Removal of the minimum requirement for a household to qualify for £5 per week before support is provided;
 - c. Expansion of support awards to cover full Council Tax liability for residents in Bands F to H;
 - (x) The Panel supported the following changes Council Tax premiums on empty properties to be adopted from 2024/25:
 - a. Removal of the empty homes discount of 28-days where a property becomes empty and unfurnished;
 - b. For empty and furnished second homes – charge 200% council tax after the first 12 months; and
 - c. For long-term empty properties – commence charging the 100% premium after 12 months.
 - (xi) The Panel noted that the proposals at recommendation (x) would fund the proposals at recommendations at (ix)
 - (xii) The Panel noted that 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 2024/25. The Panel looks to receive an

update on these items in January 2024. Besides Government funding, the principal areas of uncertainty and risk are: homeless support/ temporary accommodation, housing benefit subsidy, recycle income/costs and the Government's proposals for resources and waste; the Harlequin/RAAC, and final confirmation of other grants received,

- (xiii) The changes made in the final Budget 2024/25 proposals to Executive on 1 February will also be an agenda item for discussion at Overview and Scrutiny Committee on 25 January 2024.
- (xiv) The Panel noted that the proposed savings were not expected to have a significant impact on service scope or quality.
- (xv) The Panel expressed concerns about general inflationary pressures in the UK economy – 10% in the previous year and currently 6%, well above the Bank of England 2% target, and suggested this may put further upward pressures on the cost of goods and services and the annual pay award.
- (xvi) The Panel noted that for several years, the Council has been pursuing its Commercial Strategy to help address budget gaps in future years, as Government funding is further reduced. It noted that additional income from The Rise is included in the revenue budget, with potential for further increases when all units are fully let. Furthermore, Government guidance and experience elsewhere means that the Council is cautious about further expansion of commercial activity. The Panel noted that the Commercial Strategy was now more focussed on generating income through the Council's areas of strength, such as service provision, rather than investment in commercial assets. It was noted that outside of The Rise, there are not yet specific proposals for additional revenue in development for 2025/26 and beyond.
- (xvii) The Panel noted that the use of earmarked reserves, to fund housing benefit shortfalls, could only be a one-off action and not a permanent solution.
- (xviii) The Panel noted that in the Financial Accounts, a £1.1million provision has been made for credit loss with regard to the investment in Pathway for Care. This would be funded from the Commercial Risks and Volatility Reserve.

The Panel thanked the Portfolio Holder and officers for the substantial work in preparing the Budget 2023/24 report and for the written responses to the 82 advance questions from Members.

10. NEXT STEPS

The following timetable sets out the next steps:

Overview and Scrutiny Committee considers the Budget Scrutiny Panel report and recommendations	7 December 2023
Executive to consider summary of key points from Overview and Scrutiny Committee	14 December 2023

Overview and Scrutiny Committee considers final Budget 2024/25 report	25 January 2024
Executive to receive final Budget 2024/25 report	01 February 2024
Full Council approve Budget and Council Tax recommendations from the Executive for 2024/25	20 February 2024

11. ANY OTHER URGENT BUSINESS

There were no items of urgent business.

The Meeting closed at 8.20 pm