

BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall, Reigate on 1 February 2024 at 7.30 pm.

Present: Councillors R. Biggs (Leader), V. H. Lewanski (Deputy Leader), H. Avery, A. King, J. P. King, R. Michalowski, N. C. Moses and C. M. Neame.

Also present: Councillors J. C. S. Essex, M. S. Blacker, J. Booton, P. Chandler, S. A. Kulka and M. Smith.

56. APOLOGIES FOR ABSENCE

An apology for absence had been received from Cllr Harrison, Chair of the Overview and Scrutiny Committee.

57. MINUTES

The minutes from the meeting held on 14 December were **APPROVED**.

58. DECLARATIONS OF INTEREST

There were none.

59. RESPONSE TO MOTION: CLIMATE CHANGE

Councillor Moses, Executive Member for Environment and Sustainability, stated that the report responded to a motion presented to Full Council on 30 November by Councillor Essex. The motion was referred, by the Mayor, for consideration by the Executive.

The motion made 4 requests, relating to climate change and nature. These were:

- To declare a climate emergency, and reflect this in our Environmental Sustainability Strategy;
- To fully endorse the Surrey Climate Strategy and Surrey Local Transport Plan in the update of our Environmental Sustainability Strategy;
- To support the Climate and Ecology Bill; and
- To write to local MPs informing them that the motion has been passed.

The report considered each motion request in turn, providing some background information and setting out options and a proposed response. When it came to declaring a climate emergency, the Executive of course has the option to do this. However, the report recommends a continuation of the Council's previously stated approach. That is, to recognise the continuing need for urgent action on climate change and to take action, in line with the Council's agreed Environmental Sustainability Strategy and Action Plan.

Moving on to the request to fully endorse Surrey's Climate Strategy and Local Transport Plan. The recommendation was that the Council acknowledged the need to work with Surrey County Council, and other districts and boroughs, to achieve a wide range of shared climate change and sustainability objectives. This this was a

broader recommendation than that requested by the motion, which was focused just on two specific documents.

When it came to supporting the Climate and Ecology private members Bill, while the Executive had the option to express its support for the Bill, this was not recommended in the report. Instead, the suggestion was to focus on the Council's own activity. Recommendation (i) also recognised the need for urgent action on nature recovery and that the Council would take action through its Environmental Sustainability Strategy.

Finally, the report included a third recommendation which reflected the spirit of the fourth motion request. This was for Councillor Moses to contact local MPs to outline the Borough Council's approach to climate change and environmental sustainability. To ask for the opportunity to discuss with them how the Government can help the Council achieve its objectives in the future.

The Council's current Environmental Sustainability Strategy explained how the Council was taking action on both climate change and nature issues. The Strategy review that was currently underway would continue the Council on this journey. The Council was already making good progress. The recommendations in the report reiterate the Council's ongoing commitment to continue to do more.

Councillor Moses therefore commended the recommendations for approval by the Executive.

Councillor Booton requested that the Executive set an example by declaring a climate emergency. Six neighbouring authorities, Surrey County Council and Parliament have all declared a climate emergency and the Executive had this opportunity too. In 2019 the Executive did not approve a climate emergency and five years on there had been no change.

In response Cllr Moses explained that the Council was taking the issue seriously, however it was not necessary to use these words. The Council was moving forward in terms of sustainability and was not shying away from action.

Councillor Essex stated that the Council produced a fraction of the carbon emissions in the borough, however it should lead by example. The Council buildings should be retrofitted with solar panels for example. The Council was 3 years into a 5 year programme and little had been achieved; solar panels had not been fitted on the Town Hall roof. It was disappointing that the Council would not use the words "climate emergency" like neighbouring authorities. Surrey's climate strategy should work as one public estate and the Council should endorse Surrey's climate strategy.

Since 2020, the Government has watered down its transport strategy; housing and transport should be considered together. The Executive was urged to reconsider declaring a climate emergency and endorse the Surrey strategy and collaborate with them along with the local transport plan.

The Leader of the Council stated that the second recommendation was to work closely with Surrey County Council. The Executive wanted action rather words and would continue with that approach. It was noted that the Council would not receive additional funding by declaring a climate emergency. The neighbouring six

authorities that had declared a climate emergency were doing less in terms of the environment than this Council and this Council had an Executive Member for Environment and Sustainability.

In terms of putting solar panels on the Town Hall roof, the weight of these may not be able to be sustained by the roof, however solar panels were being placed on other Council buildings. The Council was undertaking a number of initiatives such as purchasing an electric bin lorry as one example, others were also detailed.

Councillor Booton replied, stating that he appreciated the comments however declaring a climate emergency would be an easy step to take. Councillor Essex stated that both words and actions were important, and a sense of urgency needed to be shown to move this up the political agenda.

Councillor Blacker stated that the Council was working to reducing carbon emissions and that this Council was doing more than many.

RESOLVED that:

- (i) The Council recognises the continuing need for urgent action on climate change and nature recovery, and is committed to maintaining an up-to-date Environmental Sustainability Strategy and Action Plan which will provide the basis for its work at a Council level and within Reigate & Banstead Borough;**
- (ii) The Council is committed to continuing to work closely with Surrey County Council and Surrey district and borough authorities to achieve shared climate change and environmental sustainability objectives; and**
- (iii) The Council agrees that the Portfolio Holder for Environment & Sustainability write to local MPs informing them of the Council's approach to taking action on climate change and nature recovery, and requesting to meet to discuss how the Government's future approach to policy and legislation can assist in this.**

60. HOUSING RENT REVIEW

The Executive Member for Housing and Support addressed the Executive, stating that this report concerned the annual rent increase to council social housing and housing debt write off policy.

This report sought agreement to a 7.7% increase to the Council's social and affordable rent homes. The increase would be the lower of 7.7% or the Local Authority Housing Allowance rate.

It also sought agreement for the Head of Housing and Head of Finance to set the annual service charge for social rent homes.

Finally, it sought approval of the Housing Debt Write Off Policy.

The Council could increase rents annually. This year the maximum increase allowed was 7.7%. Rent income supports the Council to manage, maintain and improve its homes.

Local Authority Housing rates were a factor when looking at rent increases for households living in Affordable Rent homes. These rates would be increased in 2024/25 and this report aimed to support the future affordability for these households.

Social Rents continued to be the lowest rents. Some of these homes have service charges. These were not material. For clarity, Affordable Rents included service charges.

Finally, the proposed housing debt write off policy would support action to manage debt. The Council aimed to collect all housing charges, sometimes this was not possible. The Policy sets out how this process would be managed.

Councillor Smith stated that an increase of 7.7% seemed like quite a jump in rent and affordability could be difficult for some tenants with this rise. It was questioned as to whether there had been an impact assessment of tenants. In response it was stated that the Council will keep rents below the Housing Allowance. Last year the rent increase was only 2.3%. Rents had to be increased in April and the Council also considered the rent increases being made by other providers such as Raven. Properties had to be maintained and the Council had to consider the sinking fund as well.

Councillor Blacker stated that maintenance costs continued to increase. Those that had affordability issues could receive additional help from the Council through discretionary payments.

It was noted that a 3-bed property at the social rent level was priced at 60% of the market value.

Councillor Essex requested that a letter be written to Central Government to request an increase in Housing Benefit.

RESOLVED – that the Executive:

- (i) Approves a 7.7% rent increase for Council-owned social and affordable rent homes in 2024/25, being the lower of a 7.7% increase or the Local Housing Allowance rate;**
- (ii) Delegates authority to agree the annual service charge to the Head Housing in consultation with the Head of Finance; and**
- (iii) Approves the Write Off Policy for Housing Service Debts at Annex 1.**

61. BUDGET & CAPITAL PROGRAMME 2024/25

The Deputy Leader and Executive Member for Finance, Governance and Organisation addressed the Executive stating that this report presented the final revenue and capital budget proposals for 2024/25 resulting in a net revenue budget requirement of £23.167 million along with a recommended council tax increase of 2.99% (equivalent to £7.47) for the average Band D property.

The key components of the revenue and capital budget were outlined and firstly provided Executive Members with some context of how the Council has approached this year's Budget and the challenges faced in the preparation and delivery of it.

Firstly, it was announced that the Council had been able to set a balanced revenue budget for 2024/25 without any requirement to use its General Fund Balances. This was a very positive outcome as it was reported that many other councils (estimated to be up to 40%) may have to consider drawing on Reserves to achieve a balanced budget.

It was confirmed that the Council (as a result of many years of prudent financial management) was nowhere near a position where a Section 114 notice might have to be considered. The Executive would be aware that many other councils across the country were struggling with this dilemma, and this was not a concern for this Council which was very reassuring news.

There was also additional comfort that the Local Government funding reforms had once again been pushed back, now to 2025/26 at the earliest; this meant that the prospect of future funding cuts, when the reforms took place remained a threat but was not imminent.

The net General Fund revenue budget for 2024/25 of £23.167 million was actually lower than the previous year's budget of £23.194 million. Whilst this may be only a small difference (of -£27k), it demonstrated the commitment that Officers and Members have made to reduce costs and find efficiency savings and income wherever possible to protect funding for the Council's front-line services.

The Council has also maximised the use of capital resources to promote its environmental and sustainability ambitions across the borough. This included investment in solar compacting bins and a new electric refuse vehicle as well as a move to HVO fuel for other vehicles.

In terms of the economy, the Council remained in difficult times, both nationally and internationally. Geopolitical concerns across the globe (such as the war in Ukraine and the Israel/Palestine crisis) continued to have a marked effect on the UK economy. And in turn on this Council's spending plans and those of our residents.

In the U.K. the cost of living crisis continued along with housing shortages and significant temporary accommodation pressures, were all impacting on this Council's budgets. Plus the ongoing impacts of housing benefit cost pressures due to shortfalls in Government subsidy which the Council has to fund.

In terms of the UK domestic economy, the Council still faced stubbornly high inflation with CPI at 4.0% at January (an increase from 3.9% in December), coupled with Bank of England interest rates at 5.25% with no definitive indication of when they might reduce.

In terms of the Council Tax the Council had little choice but to raise this Council's share of the bill by 2.99% and the Executive was advised that whilst the Council considered this an unavoidable increase, it was still below the level of CPI inflation at 4.0%.

The need to increase Council Tax by 2.99% was compounded by the Council's reduced levels of Business Rate income due to the government formulae which determined how much of the rates collected can be retained locally.

In terms of direct government grant funding, for 2024/25 the Council was receiving an increase of just £220k compared to 2023/34.

But on a more positive note it was announced that this report proposed a new Local Council Tax Reduction Scheme for 2024/25 onwards, which provided means tested reliefs to Council Tax payers who were facing hardship. One of the scheme benefits is that 1,800 households would now qualify up to the full 100% reduction award.

Despite the challenges outlined, the Council has nevertheless set a balanced and robust budget which addressed the challenges outlined.

For example

- The Council has allocated £694k of funding to manage the risks of housing benefit subsidy losses.
- The Council continued to maximise its capital financing strategy to avoid external borrowing costs.
- The Council has been able to provide Budget growth to fund delivery of our environmental sustainability strategy.
- The Council has also found significant efficiency and income generation savings to help balance the overall budget requirement.

Councillor Lewanski gave more detailed component parts of the budget.

The Council was recommending net Service Budget growth of £1.112m for next year. This reflected:

- Pay growth for Services of £316k and;
- Non-Pay growth for Services of £716k

The main unavoidable components of this growth comprised of :-

- ICT increased system and maintenance costs £200k
 - Property costs – maintenance and running costs £254k
 - Cost of introducing HVO fuel for green vehicles £121k
 - 5 new posts (IT / Sustainability / Ecology / Environmental Health) £316k
- This growth of £1.112m was offset and effectively absorbed by a larger amount of income from savings which comprised of:

- Savings and income generated of (£1.754m), and ;
- Additional income raised from fees and charges of (£0.540) million.

The main components of the income and savings were:-

- Additional income from The Rise at Redhill (£770k)
- Savings from rationalisation of energy contracts (£350k)
- Car parking savings following the transfer of on-street control back to SCC (£162k)
- Additional car parking fees and charges (£138k)
- Additional Waste and Recycling charges (£146k)

In total the Budget would generate a total of (£2.294m) of savings and income, which was a significant achievement in light of the impacts of the COVID-19 pandemic a couple of years back.

In terms of Central Budgets these were set to rise by a net overall figure of £1.319m.

This comprised of £1.750m for staff pay increases and pension contributions which were offset by Treasury Management savings of (£255k) plus deletion of an unused pay budget allocation from the last financial year of (£243k).

With regard to net Council Tax income this would rise by just over £382k next year while our share of Business Rates would decrease by £650k compared to recent years, largely due to the level of tariff payment the Council had to pay over to central government.

The Provisional Local Government Settlement was announced on 18 December 2023. In terms of direct grant funding the Council received an additional net increase of just 220k from a combination of increases in the Minimum Funding Guarantee Grant and the Services Grant, offset by a reduced level of New Homes Bonus.

The Council also received another ringfenced grant of £695k for homelessness prevention which has been allocated to the Reserve set aside to help the Council manage homelessness risks, so that the funds were available to draw down as needed.

The Council was now awaiting the Final Local Government settlement announcement which was expected on 6 February 2024.

In the meantime, there was an unexpected Government announcement on 24 January indicating that councils would receive a further small tranche of funding equivalent to an extra 1% on top of the existing 3% Minimum Funding Guarantee in the settlement.

The Council was now awaiting confirmation of what this extra funding meant for this Council, presumably as part of the Final Settlement figures on 6 February 2024. Going forward the Council would continue to take a broad view across all budgets through our Financial Sustainability Programme. This will included:

- continuing to look at how the Council's assets were performing and options for their future use;
 - pursuing opportunities to generate new sources of income and savings;
- and
- ensuring that all services delivered value for money.

The forecast gap over the medium term required that all options for securing financial stability continue to be considered.

As outlined in the budget report, the Council continued to hold a healthy level of Reserves that were available to help the Council to continue to manage budget risks and opportunities.

The General Fund Balance at £3.5 million remained more than adequate to cover financial risks while other Earmarked Reserves were forecast to be £26 million by April.

This report also included details of the Council's Capital investment plans which demonstrated the breadth of activity across the borough to improve and enhance its asset base.

Capital growth for 2024/25 totals £4.5 million, primarily to fund the final stages of Marketfield Way and to pay for an electric refuse vehicle.

The capital programme for 2024/25 to 2028/29 has also been re-profiled as part of budget setting to rationalise capital schemes which were no longer required or require re-scheduling to future years.

In summary - overall, the 2024/25 Revenue Budget and Capital Programme was based on a full and robust assessment of what the Council did and how services were funded. This work has been carried out by Executive members, supported by the Management Team.

The proposals have been subject to thorough review by Members of the Budget Scrutiny Panel and the Overview & Scrutiny Committee. Their findings and recommendations were reported separately to Executive in December. Overview & Scrutiny also made time to consider the final budget proposals at their most recent meeting.

Members and Officers were thanked for their valuable contribution to the budget process.

Cllr Michalowski was thanked for pointing out the drafting error in Table 8.1 in paragraph 59. The £'000 symbol top of the second column in from the right, should have read the word "DEMAND" instead.

Councillor Lewanski was pleased to recommend this report to the Executive and to Full Council as a firm foundation for our future financial plans.

Subject to the Executive's agreement of recommendations (i) to (xi), the proposed budget would go forward for consideration by Full Council on 20th February 2024.

The Leader of the Council thanked the Chief Finance Officer, her team and the Budget Scrutiny Panel for their work on the budget.

It was noted that the addendum to the Executive agenda papers included comments from the Overview and Scrutiny Committee.

A visiting member observed that the Police precept was now increasing more than the Borough Council's precept.

Councillor Essex stated that that there remained £30million in the pipeline for investment in affordable housing at a time when the waiting list for housing was increasing. The Leader of the Council responded that up to £20million had previously been allocated of which £1million had already been spent. There was no

urgency to call on those funds while the Government continued to make other funding available (up to £6-8million). The Council was currently focussing on purchasing properties to provide temporary accommodation having previously invested in developments like Wheatley Court.

Written responses would be provided to visiting Members questions on:

- An update on Household Support Fund spend and activity; Members noted that this was due to cease in March 2024;
- The total value of investment to date in properties for housing refugees in the borough;
- Whether the budget includes funding for an ecology officer; and
- Whether the current year's funding contribution from the NHS is expected to continue.

Responses were provided to a visiting Member's questions:

- A full recycling service was being rolled out to 5,500 flats.
- It would have to be verified if the 757 base property figure included The Rise and Wheatley Court.
- It was confirmed that the Council retained a small proportion of business rates collected.

In respect of council tax recovery, it was noted that the number of summons had increased by 3%. In response to a Member's question about how taxpayers experiencing financial hardship were managed, it was confirmed that officers always try to engage but some residents were reluctant to respond.

RESOLVED – that the 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 £7.47 (2.99%) and a final taxbase of 64,252.30 Band D equivalents;**
- iii. A Revenue budget requirement of £23.167 million for 2024/25, as set out in this report and at Annex 1, which reflects:**
 - a) Service budget growth proposals totalling £1.112 million, savings of (£1.754) million, including fees and charges income of (£0.540) million, plus forecast issues, risks and opportunities totalling £0.304 million;**
 - b) Central Revenue Budget net savings and growth proposals totalling (£0.431) million and £1.750 million growth for the 2024/25 pay award plus forecast issues and risks totalling £0.694 million;**
- iv. The forecast for Revenue Reserves (Annex 3) and the recommended use of £0.998 million from Reserves in 2024/25 comprising:**
 - a) £0.304 million from the IT Strategy Reserve to fund implementation of the approved IT Strategy (as detailed in the Services budget); and**
 - b) Up to £0.694 million from the Government Funding Risks Reserve, where necessary, to fund the forecast reduction in housing benefit subsidy (as detailed in the Central budget);**
- v. A Capital Programme of £53.680 million for 2024/25 to 2028/29 as set out in this report, including net Capital Programme Growth Proposals of £6.919 million (net after allowing for a reduction of (£0.796) for capital programme re-profiling);**
- vi. That the following changes to the Local Council Tax Support Scheme be approved and 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;**
- vii. **That the following changes Council Tax premiums on empty properties be approved and 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.**
- viii. **Continued funding support for Banstead Commons Conservators for a further three years (2024/25 to 2026/27);**
- ix. **Agreement of a new 10 year Section 136 funding agreement with Horley Town Council;**
- x. **The Chief Finance Officer's report on the robustness of the Budget estimates and adequacy of Reserves.**

That Executive authorise:

- xi. **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.**

62. COUNCIL TAX 2024/25

The Deputy Leader and Executive Member for Finance, Governance and Organisation introduced the report stating that following on from the Budget report, this was the technical report that allowed full Council to debate and set the Council Tax for next year when it meets on 20th February 2024. The provisional Local Government Settlement announced on 18 December 2023, gave district and borough councils the option to raise Council Tax levels by up to 2.99% without referendum.

The reasons for this Council's recommended increase of £7.47 (2.99%) were set out in the budget report. In particular it was emphasised that this was an increase of 0.14p per week for the average household. This 2.99% increase was a below inflation increase with CPI (at January) currently being at 4.0%.

The County Council was meeting on 6th February, and it was expected that their share of the council tax would rise by 3.99%, which included the adult social care precept. Any variations to this share (if the need arises) would be recalculated and reported to Full Council under delegated authority of the Chief Financial Services Officer.

This followed on from the Police and Crime Commissioner considering the Surrey Police budget on 6th February where a £13.00 increase (4.19%) is expected to be approved. Again, any variations to this would be reported and recalculated to Council.

Overall, this meant that the Reigate & Banstead element is just over 11% of the combined Band D Council Tax (including precepts) which would increase by £95.93 or 4.15% in total from April. In addition, sums will be charged where applicable, for the parish and town councils as detailed in the report.

Councillor Lewanski recommended this report to Executive and Full Council, specifically recommendations (i) through to (vii).

Clarification was sought regarding the relevance of the figures in the final total row in table 2. The Chief Finance Officer advised that the table format was in line with the guidance for council tax setting but would ask the Finance team to confirm.

RESOLVED – that the Executive:

- (i) **Noted that on 30 November 2023 the Council calculated:**
- a) **The Council Tax base 2023/24 for the whole Council as 64,252.3 [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 11,186.2**
 - **Salfords & Sidlow Parish Council 1,453.7**

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 2024/25 (excluding Parish precepts) is £16,524,407**
- (iii) **That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Act:**
- a) **£68,428,760 – 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) **£51,253,593 – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.**
 - c) **£17,175,167 – 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) **£267.31 – 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) **£650,760 - 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) **£257.18 - 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**

64. STATEMENTS

There were no statements.

65. ANY OTHER URGENT BUSINESS

There was none.

66. EXEMPT BUSINESS

There was no exempt business.

The Meeting closed at 8.43 pm