

Recommendations from the Executive – 30 January 2020

**Draft
Minute
reference**

84

Budget 2020/21 and Capital Programme 2020 - 2025

The Executive Member for Finance, Councillor Schofield, introduced the final revenue and capital proposals for 2020/21, which included a Council Tax increase of £5 for an average Band D Property, for recommendation to Council. The proposals had been carried out by Executive Members, supported by the Management Team and the Budget Advisory Group. The proposals had been subject to comprehensive review by Members of the Budget Scrutiny Panel and the Overview and Scrutiny Committee.

The Executive Member for Finance highlighted:

- That the Council had not received any revenue support grant for several years, which continued to present a short-term shortfall in income until regeneration and income regeneration projects became operational. Ring-fenced reserves had been established in recent years, as a mitigation, in recognition that commercial activities would be established.
- The budget proposals allowed for the continuation and growth of the high-quality services delivered by the Council, along with providing the capacity to deliver the ambitions set out in the new Corporate Plan.
- The Government's Provisional Settlement announcement in December 2019 had mitigated the previously anticipated impact of reduced business rates receipts in the short term, but the Council would still need to draw on £1.256m from reserves to present a balanced budget for 2020/21. The specific sum would be adjusted according to the outturn position for the forthcoming financial year. There had been a budget underspend in recent years which had made funds available in reserves for use next year, if required.
- The Council held a healthy level of reserves that would be available to mitigate future budget risks. This year, funds had been re-allocated between Earmarked Reserves and the General Fund Balance to ensure better alignment with forecast risks and opportunities. The healthy reserves position had enabled the Council to take advantage of the opportunity to make savings in the employer pension contribution by making advance payment for the next three years at a significant discount.

- Capital Investment Plans included a significant investment in property assets, and the establishment of investment funds to support the delivery of the Corporate Plan, Commercial Strategy and the Housing Delivery Strategy.

In response to observations made by Visiting Members, it was noted that:

- There had been consultation on the new five-year plan promoting the delivery of more affordable housing and that the Executive was satisfied with the approach that it had taken to funding that initiative.
- The Executive was clear that it wanted to deliver homes for local people, and forthcoming developments would be a significant step toward that.
- The targets for housing completions were for the period of the Local Plan and were robustly monitored by Government.

RECOMMENDED that:

- (i) **A Revenue budget requirement of £24.460 million for 2020/21 as set out in the report to Executive and supported by the Updated Medium-Term Financial Plan at Annex 1, which includes:**
 - **Revenue Budget Growth Proposals of £0.074 million (at Annex 1.1) in addition to the £2.12 million (net) that was previously reported in the November 2019 Budget report; and**
 - **An advance payment of £6.204 million for the secondary element of the employer's Local Government Pension Scheme contribution for 2020/21 to 2023/24;**
- (ii) **An increase in Reigate & Banstead's Band D Council Tax of £5.00 (2.20%);**
- (iii) **The planned use of £5.671 million (net) from the General Fund Balance; comprising:**
 - **Drawing £1.256 million from the General Fund Balance to support the 2020/21 Revenue Budget; and**
 - **Drawing £6.204 million from Reserves to fund the cost of the advance payment of the**

- employer's secondary pension contribution for the three-year period to 2022/23**
- **Transferring the £1.789 million allocation of New Homes Bonus funding for 2020/21 into Reserves.**
- (iv) **The recommended re-allocation of funds between Earmarked Reserves in 2020/21 as detailed in the report and at Annex 2;**
- (v) **The latest Medium-Term Financial Plan at Annex 2**
- (vi) **A Capital Programme of £176.328 million for 2020/21 to 2024/25 as set out in the report and at Annex 3, including additional Capital Programme Growth Proposals of £82.655 million, supported by the Capital Strategy for 2020/21 at Annex 3;**
- (vii) **The Chief Finance Officer's report on the robustness of the Budget estimates and adequacy of Reserves.**

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85

Council Tax Setting 2020/21

The Executive Member for Finance, Councillor Schofield introduced the report and informed the Executive that the proposed Council Tax for 2020/21 would be the subject of a recommendation to the February Council meeting. That meeting would receive confirmation of the final precept levels from the County Council and the Police together with any necessary adjustments required.

RECOMMENDED that:

- 1. It be noted that on 16 January 2020 the Council calculated:**

(a) the Council Tax base 2020/21 for the whole Council as 61,128.8

[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	10,191.7
Salfords & Sidlow Parish Council	1,416.5

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 Annex 1, 2 & 3 of the report to Executive.

- 2. Calculate that the Council Tax requirements for the Council's own purposes for 2020/21 (excluding Parish precepts) is £14,210,001**
- 3. That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Act:**
 - a. £85,196,176 – 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. £70,543,000 – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.

c. £14,653,176 – 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. £239.71 – 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

e. £443,176 - 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. £232.46 - 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 £272.17
 Salfords & Sidlow Parish Council £259.64**

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.

4. 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.

- 5. It be noted that for the year 2020/21 Surrey County Council and Surrey Police have 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.**
- 6. 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 2020/21 for each of the categories of dwellings shown in Appendix 3.**
- 7. 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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87

Calendar of Meetings 2020/21

Councillor Brunt, the Leader of the Council presented a report with a proposed Calendar of meetings for the 2020/21 Municipal Year. The draft calendar had been developed in consultation with Members and Officers, to ensure that business would be accomplished efficiently. Accordingly, a new August meeting of the Executive had been introduced.

In response to a question, the Leader of the Council advised that the August meeting of the Executive would be subject to the statutory duty to give notice of any key decisions to be taken, in the same way that all Executive meetings were.

RECOMMENDED: That the Calendar of Meetings for the 2020/21 Municipal Year be approved.