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To: MEMBERS OF THE STRATEGY & RESOURCES COMMITTEE
Councillors Elias (Chair) M.Cooper (Vice-Chair),
Botten, Bourne, Caulcott, D.Cooper, Davies, Duck, Jecks,
Langton, Lee, Milton, and N.White.

for any enquiries, please contact:
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Substitute Councillors: Bloore, Lockwood and Orrick.

c.c. All Other Members of the Council.

15th January 2020

Dear Sir/Madam,

**STRATEGY & RESOURCES COMMITTEE
THURSDAY, 23RD JANUARY 2020 AT 7.30 P.M.**

The Agenda for this meeting of the Committee to be held in the Council Chamber, Council Offices, Station Road East, Oxted is set out below. If a Member of the Committee is unable to attend the meeting, please notify officers accordingly.

Should Members require clarification about any item of business, they are urged to contact officers before the meeting. In this respect, reports contain authors' names and contact details.

If a Member of the Council, not being a Member of the Committee, proposes to attend the meeting, please let the officers know by no later than noon on the day of the meeting.

Yours faithfully,

Elaine Jackson
Acting Chief Executive

AGENDA

1. **MINUTES OF THE MEETING HELD ON THE 28TH NOVEMBER 2019** (previously circulated within the Council Book)
2. **APOLOGIES FOR ABSENCE** (if any)
3. **DECLARATIONS OF INTEREST** – All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:
 - (i) any Disclosable Pecuniary Interests (DPIs) and / or
 - (ii) other interests arising under the Code of Conduct

in respect of any item(s) of business being considered at the meeting. Anyone with a DPI must, unless a dispensation has been granted, withdraw from the meeting during consideration of the relevant item of business. If in doubt, advice should be sought from the Monitoring Officer or his staff prior to the meeting.

continued...

4. **TO DEAL WITH QUESTIONS SUBMITTED UNDER STANDING ORDER NO. 29(2)**
5. **CLIMATE CHANGE – OFFICER PRESENTATION**
6. **COUNCIL TAX - LONG TERM EMPTY HOMES PREMIUM** (page 3 and Appendix A)
7. **STRATEGY & RESOURCES COMMITTEE - BUDGET MONITORING 2019/20** (page 8 and Appendices 'A' and 'B')
8. **STRATEGY & RESOURCES COMMITTEE – BUDGET PROCESS 2020/21** (page 13 and Appendices 'A' to 'D')
9. **DETERMINATION OF THE 2020/21 COUNCIL TAX BASE FOR TAX SETTING** (page 26 and Appendix 'A')
10. **ANY OTHER BUSINESS WHICH THE CHAIRMAN IS OF THE OPINION SHOULD BE CONSIDERED AT THE MEETING AS A MATTER OF URGENCY**

**REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 23RD JANUARY 2020
AGENDA ITEM 6**

COUNCIL TAX - LONG TERM EMPTY HOMES PREMIUM

Report of:	Nick Smith – Business & Income Specialist 01883 732927 – nsmith@tandridge.gov.uk
CMT Lead Director	Jayne Godden Miller – Strategic Director of People 01883 732828 - jgodden-miller@tandridge.gov.uk
Purpose of report:	To consider: <ul style="list-style-type: none"> • potential changes to the current policy for charging Council Tax premiums in respect of long term empty properties; and • withdrawing the 28 day empty property exemption.
Publication status:	Unrestricted
Recommendations:	That, under the Committee’s delegated powers, it be agreed that, with effect from 1 st April 2020: <p>A. the empty property premium be increased:</p> <p>(i) from 50% to 100% for properties empty over 2 years; (ii) from 50% to 200% for properties empty over 5 years; and</p> <p>B. the 28-day exemption period be withdrawn for properties that become empty and unfurnished.</p>
Appendices:	Appendix A - Council Tax legislation for empty homes (page 7)
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 The Chancellor’s November 2017 budget announced that local authorities, with effect from April 2019, are now able to increase the additional Council Tax premium for a property left unfurnished and unoccupied over 2 years from 50% to 100%. This change was to encourage owners of empty homes to bring their properties back into use.

- 1.2 Tandridge District Council, as of December 2019, had 122 properties that have been empty and unfurnished over 2 years. 44 of these properties have been empty for over 5 years.
- 1.3 The November 2017 budget also announced additional premiums that may be applied for subsequent financial years as follows:
- From April 2020 onwards to increase the premium to 200% for properties that have been empty for more than 5 years.
 - For information, from April 2021 onwards, we could increase the premium to 300% for properties that have been empty for more than 10 years.
- 1.4 Below is a comparison table for Surrey Councils, plus a couple of other neighboring authorities, showing the level of empty property premium currently being charged for properties that have been empty and unfurnished for over 2 years.

Council	Current Premium
Croydon	100%
Elmbridge	100%
Epsom & Ewell	100%
Guildford	100%
Mid Sussex	100%
Mole Valley	50%
Reigate & Banstead	50%
Runnymede	50%
Sevenoaks	100%
Spelthorne	50%
Surrey Heath	50%
Tandridge	50%
Waverley	100%
Woking	100%

- 1.5 Since April, 2013, this Council has allowed a 28 day exemption from the date a property becomes unoccupied and unfurnished, and once the 28 day period has elapsed full Council Tax is payable.
- 1.6 This period has implications on administration of the accounts, as the Business & Income Team receive a high number of queries regarding the discrepancy of dates between the tenant and landlord and it is not also possible to carry out inspections to verify the information supplied, if the dates are retrospective.

- 1.7 Below is a comparison table for Surrey Councils plus a couple of our other neighboring authorities, showing the empty property discounts period currently awarded.

Council	Empty Discount
Croydon	Nil
Elmbridge	Nil
Epsom & Ewell	1 month
Guildford	7 days
Mid Sussex	Nil
Mole Valley	28 days
Reigate & Banstead	28 days
Runnymede	3 months
Sevenoaks	1 month
Spelthorne	1 month
Surrey Heath	28 days
Tandridge	28 days
Waverley	50% discount for 1 month
Woking	1 month

- 1.8 Charging of additional Council Tax premiums – TDC / non-TDC properties:

2019/20	Tandridge DC Council Tax liability	
No. of accounts	Additional Council Tax charged	11% retained by TDC
69	£7,666	£843

Non TDC properties		
No. of accounts	Additional Council Tax charged	11% retained by TDC
901	£102,390	£11,263

2. Financial Implications

- 2.1 A 100% premium would increase the total tax base as at December 2019 by 78 band D equivalents, which is worth approximately £16,560, based on Tandridge's 11% share of the council tax. This additional income is likely to diminish over time as the change encourages bringing homes back into use more quickly, which is a positive outcome given the shortage of housing in the District.
- 2.2 With regards to properties empty over 5 years, as at December 2019 there were 44 properties which would equate to an approximate additional £18,683, given the potential 200% premium allowed with effect from April 2020.

2.3 As an example, if the 28 day period had been removed for the current financial year, Tandridge DC would have paid an additional £7,666 on Council dwellings. But on private properties, an additional £102,390 would have been collected of which £11,263 (11%) would have been retained by Tandridge. These figures are based on the period 1 April 2019 to 13 January 2020.

2.4 If the recommendations of this report are agreed, the total additional Council Tax income which would be received by the Council in 2020/21 is estimated at £47,349.

*These figures are estimated figures based on the current 2019/20 Council Tax amounts, however, as Council Tax increases year on year you would expect additional revenue to be higher than forecasted.

3. Legal Implications

None for the purposes of this report.

----- end of report -----

COUNCIL TAX EMPTY HOMES – LONG TERM EMPTY PREMIUM

The Local Government Finance Act 1992 allowed an amendment to abolish Classes A and C exemptions relating to empty homes in the Council Tax (Exempt Dwellings) Order 1992 so that homes in these classes are no longer exempt from Council Tax with effect from 1 April, 2013.

The withdrawal of a government grant and the increasing pressure on Council Tax means that the Council has had to re-examine its position. Public consultation was undertaken in the autumn of 2012.

On 17 January 2013, the Council agreed to the changes at its Resources Committee.

Tandridge District Council therefore changed its council tax payments so that an empty and unoccupied property may be allowed a 28-day exemption from the date it becomes unoccupied and unfurnished, and that any property empty and unfurnished over 2 years has to pay 150%.

REPORT TO THE STRATEGY & RESOURCES COMMITTEE - 23rd JANUARY 2020 AGENDA ITEM 7	
STRATEGY & RESOURCES - BUDGET MONITORING 2019/20	
Report of:	Elaine Jackson – Acting Chief Executive, Director of Resources ejackson@tandridge.gov.uk Grant Miles – Interim Chief Financial Officer (Section 151) – gmiles@tandridge.gov.uk
Purpose of Report :	To report upon monitoring of the Council's budget for the period 1 st April 2019 to the 31 st December 2019 – Period 9
Publication status:	Unrestricted
Recommendation:	A. the Committee notes the position of its budget; and B. a programme of management action is put in place to reduce significantly the forecast overspend by the end of the financial year.
Appendices	Appendix 'A': revenue budget monitoring report (page 11) Appendix 'B': capital budget monitoring report (page 12)
Background papers*	None

*defined by the Local Government (Access to Information) Act 1985

1. Background

- 1.1 This report provides information on spending compared to the approved budget for the Strategy & Resources Committee
- 1.2 This report, highlighting any significant variances. The aim of this process is to provide regular and consistent information for each Committee on monitoring of income and expenditure within the relevant General Fund (GF), Housing Revenue Account (HRA) and Capital budgets.
- 1.3 The Strategy & Resources Committee will receive a summary of each Committee's key highlights grouped together to provide a Council-wide perspective, along with details of any overspends referred to it by other Policy Committees.
- 1.4 The Committee is advised that this is the third budget monitoring report of the financial year 2019/20. The variations contained within this report are based on estimates of expenditure and income as at 31 December which is three quarters of the financial year and may change by the end of the financial year (31 March 2020).

2. Monitoring Report for 2019/20

- 2.1 The budget key highlights for this Committee up to the end of December 2019 are attached at **Appendix A**. The presentation is standardised across all Committees. The key highlights for Capital Programme budget for this Committee are attached at **Appendix B**.

2.2 The Strategy & Resources net revenue budget for 2019/20 amounts to £878,283 and is forecast to be £357,125 overspent at the year end, as set out in Appendix A based upon latest forecast data at December 2019. This is primarily due to forecast overspend on salaries of £398,425.

3 Comments of the Acting Chief Finance Officer

3.1 An overspend has been identified within the Strategy and Resource budget. The key variances are summarised below.

Explanations of the reasons for the forecast overspend

- Salaries Overspends – There is an overspend forecast on salaries of £398,425, this is made up of a number of elements, these are :-

An overspend upon temporary staff and interim posts needed to cover a number of key posts within Finance, Legal, IT and Resources. The overall forecast net overspend on temporary staff is £39,000.

An overspend in relation to a number of staff who were made redundant in the 2018/19 financial year. The budget for several posts were deleted during the implementation of Customer First in 2019/20. Some staff continued employment in order to sufficiently complete handovers beyond the year end and left in 2019/20. This resulted in additional costs and pension strain beyond that originally anticipated and resulted in a forecast overspend of £95,103.

In addition some areas identified a shortage of resources and required agency staff as supernumerary posts to cover this shortage also a number of supernumerary posts resulting in an overspend of £264,322.

- Treasury Income – £15,900

Income is expected to be below budget due to returns on the investment portfolio being below expected performance

- Underspend on Printing and Postage (£24,800)

This arises from a reduced usage in printing and postage compared to prior years which has been factored into next year's budget.

- Corporate Items (£106,800)

This arises from additional New Homes Bonus of £86,000 and additional Benefits administration grant of £20,800.

- Other Net Variances Overspend £74,400

The main items which contribute to this are unforeseen activities which include; work being undertaken by the Local Government Association, additional work required from Internal Audit, additional costs resulting from multiple elections in 2019/20 less underspends on training and stationery costs.

4 2019/20 Capital Budget Monitoring Position for Strategy and Resources Committee

- 4.1 The capital budget for 2019/20 totals (£130,860,900) and is forecast to be underspent by (£64,507,220) at the year end. The position on each scheme is detailed in Appendix B including details of spend to September, the forecast spend at year end and current progress on each scheme.

5. Financial / Risk Implications

- 5.1 At the current time a net overspend of £357,125 will contribute to the Council forecast overspend.

6. Legal Implications

- 6.1 Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. This report satisfies the requirements of that legislation in terms of monitoring the Council's budgets.

7. Equality Impacts

- 7.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable

8. Data Protection Impacts

- 8.1 Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	Not applicable

----- end of report -----

Forecast Strategy and Resources Financial Position at year 31/3/2020

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2019/20	Forecast Variance at year end (31/3/2020)
Strategy and Resources Committee		
Salaries	5,010,883	398,425
Treasury Income	(975,900)	15,900
Printing and Postage	179,800	(24,800)
Other Variances less than £10k	(1,184,900)	74,400
Total	3,029,883	463,925
Corporate Items		
Strategy and Resources-GF Position at 31/3/2020*	(2,151,600)	(106,800)
	878,283	357,125

* An in year virement to other committees of £231,867 is incorporated in the total annual budget. This reflects redistribution of salaries provision in year.

Capital Budget Monitoring at 31/12/2019

Scheme Name	Annual Budget 2019/20	Budget YTD	Actual YTD	Variance YTD	Forecast Variance 19/20 at 31/12/2019	Scheme Total Budget (incl slippage) 2019/20-2021/22	Forecast Total Scheme Variance	Budget Manager	People Place Resources
Resources Committee									
Property Development Fund	130,374,900	108,645,750	30,690,465	(77,955,285)	(64,374,900)	195,375,000	0	Alison Boote	Resources
Land/Asset Development	153,000	114,750	97,405	(17,345)	0	153,000	0	Alison Boote	Resources
Council Offices Buildings	182,320	151,933	19,250	(132,683)	(132,320)	282,300	(100,000)	Alison Boote	Resources
Customer First / IT	150,000	125,000	142,208	17,208	0	350,000	0	Mel Thompson	Resources
Total-Resources	130,860,220	109,037,433	30,949,328	(78,088,105)	(64,507,220)	196,160,300	(100,000)		

Capital Monitoring - Budget Managers Comments

Property Development Fund

Budget spend is dependent on suitable acquisitions being identified. Three properties have been purchased so far this year. If this scheme is under budget at the year end then it will be carried forward into future years

Land/Asset Development

This budget is for improving the commercial viability of any assets purchased by the Council. Currently the Council is refurbishing Quadrant House and any underspend will be carried forward into the following financial year

Council Offices Buildings

This budget covers the planned maintenance programme for the Council Offices. It is anticipated that this project will be under budget in the current financial year with the full programme to the end of 2021/22 being under budget by £100,000

Customer First / IT

Ongoing ICT development works progressing. This scheme is expected to be on budget in the current financial year

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 23RD JANUARY 2020 AGENDA ITEM 8	
STRATEGY & RESOURCES - BUDGET SETTING 2020/21	
Report of:	Grant Miles - Interim Chief Finance Officer - 01883 732718 e-mail: gmiles@tandridge.gov.uk Martin Field – Finance Specialist - 01883 732843 e-mail: mfield@tandridge.gov.uk
Purpose of Report :	To present the draft budget for 2020/21 for this Committee including the annual review of charges, capital programme and revenue budget.
Publication status:	Unrestricted
Recommendations:	That: A. subject to further consideration by this Committee on the 3 rd February 2020 as part of the Council wide budget setting process (to be ratified by Full Council on 13 th February 2020): (i) the Strategy & Resources Committee's draft revenue budget for 2020/21 be in the sum of £2,920,076 as shown at Appendix 'B'; (ii) the draft capital programme for 2020/21 be in the sum of £65,973,600 for 2020/21, as shown in Appendix 'D'; B. in accordance with the Committee's delegated powers, the fees and charges for 2020/21, as detailed in Appendix 'C', be approved.
Appendices:	Appendix 'A' – Budget variation statement (page 19) Appendix 'B' – Draft revenue budget for 2020/21 (page 20) Appendix 'C' – Schedule of proposed draft fees and charges for 2020/21 (page 21) Appendix 'D' – Proposed additions and changes to the continuing Capital Programme 2019/20 to 2022/23 (page 23)
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 The Council's Medium Term Financial Strategy (MTFS) aims to maintain the financial health of the Council, whilst delivering the priorities in the corporate and service plans for the Council.

- 1.2 Government reductions in revenue funding in the Local Government Finance Settlement, welfare benefit changes and the long term impacts of a changeable economy in a climate of austerity continue to create pressure on Council finances and are likely to do so for the foreseeable future. The Council's budget strategy has been, as far as practical to make operational and efficiency savings alongside income generation schemes to minimise the need for service reductions to residents of the Council.
- 1.3 The recommendations in this report are consistent with the Council's four year Medium Term Financial Strategy for 2019/20 to 2022/23 which was presented to Strategy & Resources Committee on 26 September 2019.
- 1.4 The main Council budget MTFS funding targets agreed by Strategy & Resources Committee on 26 September 2019 were as follows:
- That the General Fund budget target for 2020/21 be set at £10,574,080 at this stage and Policy Committees be invited to compile their draft budgets within this overall target.
 - That a provision of £458,820 is made for inflation in relation to pay award, pay increments and price inflation on expenditure and income budgets. This represented a 2.5% increase in pay and a 2.5% on price inflation (See note 2.4)
 - That Policy Committees identify further savings considered as part of the Members Workshops process to address the budget shortfall gaps in the MTFS.
 - That the Committee request Strategy and Resources Committee to approve the inclusion of the new capital schemes and the changes to the continuing set out in Appendix D within the Council's Continuing Capital Programme 2022/23.
- 1.5 The financial assumptions underpinning the MTFS identify an anticipated budget shortfall over the next three years. These are to be offset by additional investment income, efficiency savings and an assumed £5 (Band D) Council Tax rise. Other aspects of the strategy will also help reduce funding gaps namely; purchasing properties for investment purposes; joint working initiatives and any additional fees and charges. Additional alternative options will continue to be pursued to meet the net funding gap over the next 3 years and clarification around the future of retained Business Rate retained income will be a key part of that.
- 1.6 A series of Members Workshops were carried out for each Service Committee in November which covered Fees and Charges, Capital Programme Investment and Growth and Savings. Departmental budget proposals have been developed following the workshops and these have been brought forward to balance the 2020/21 budget. The proposals for these changes are included in the 2020/21 Budget.
- 1.7 This report highlights these proposals and presents the Committee's draft budget proposals for recommendation to Strategy and Resources on 3rd February 2020. The proposals for this Committee are split into three elements:-
- The Revenue Budget 2020/21 – a summary of the Revenue Budget is set out below in Para 2.2. Further details are set out in Appendix A and B including savings, income and growth.

- Capital Programme Investment 2020/21 to 2022/23 - the proposed new capital schemes and proposed changes to existing schemes for the Finance Committee are set out in Appendix D.
- The Fees and Charges proposed for 2020/21 - details of the proposed fees and charges for 2020/21 are set out in Appendix C.

1.8 The figures in this report have been updated to include outcomes from the provisional local government finance settlement, with the exception of any Council Tax increase above £5 or 1.99%. The service budgets for this Committee will be included in the budget book that will be distributed to all Councillors.

2. Revenue Budget proposals 2020/21 and commentary

2.1 The revenue budget as presented for this Committee totals £2,920,076. This is consistent with the MTFS targets for the Council.

2.2 A summary of the Committee's revenue budget is set out below:

Service area	PUBLISHED BUDGET 2019/20 £	BASE BUDGET 2020/21 £
Local Taxation	(61,000)	(25,200)
Community Support	74,000	75,900
Policy Support & Economic Development	708,900	659,000
Emergency Planning	13,600	13,900
Democratic Functions	1,123,300	1,313,671
Pensions	462,200	462,200
Information Technology	1,181,500	1,347,600
Finance & Exchequer	557,400	637,700
Legal Services	135,500	303,300
Office Services	448,000	405,600
Human Resources	330,300	403,400
Customer Services	458,600	473,400
Case Officers	976,600	951,100
Capital Charges	(1,008,938)	(1,250,500)
Support Services	(3,777,400)	(1,431,900)
Corporate and Technical Items	(512,412)	(1,419,095)
Total	1,110,150	2,920,076

2.3 The revenue budget proposals have been prepared on the basis that all existing services to residents are maintained.

2.4 Allowances for inflation at 2.5% in pay and price inflation on expenditure and income budgets of £191,897 have been included.

2.5 A number of financial savings have been included within the draft budget for this Committee, the main items are as follows:-

- Interest on Loans to Subsidiary (£334,300)
- Reduction in Printing, Stationery and Postage (£29,800)

- 2.6 There was originally a proposal to make a further saving of £33,600 from removal of the webcasting service. However, included in this committee's agenda is a report to change the council tax billing arrangements for long term empty properties. The recommended proposals will result in additional Council Tax income of £47,000. Due to this it has been possible to remove the webcasting saving.
- 2.7 Additional financial provision and technical adjustments have been made for the following:-
- Loss of Election Grant £16,500
 - Increase in Individual Electoral registration £8,300
- 2.8 A full summary of the main variations to the revenue budget for 2020/21, including all proposed savings is shown at Appendix A – on page xx
- 2.9 The draft budget for this Committee is shown at Appendix B – which details the change in budgets from 2019/20 to 2020/21. – on page xx
- 2.10 The employees budget for 2020/21 for this Committee totals £5,166,671
- 2.11 The Strategy and Resources revenue budget has increased year on year due to the removal of support service recharges to non-ringfenced services as it is no longer required.
3. Review of Fees and Charges
- 3.1 Charges for services form a key part of the mechanism for financing local services. In simple terms from fees and charges offsets the cost of a service. If income from charging does not fully offset costs then the Council Taxpayer must pay for the difference.
- 3.2 It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate other factors particular to individual charges.
- 3.3 The fees and charges presented in this report are mainly discretionary charges as these provide scope to generate additional income, contribute to an improved budget positions.
- 3.4 In preparing their budgets, fees and charge levels and rates have been reviewed by service managers and factors such as anticipated demand, comparison with competitors, previous levels of performance have been considered. This has resulted in a range of potential increases from 1% through to 6% for some fees and charges across the Council. This range of increases endeavours to ensure there is a real terms increase in the income that the Council receives from the charges it sets, this then contributing to the overall saving requirement.
- 3.5 In summary for this Committee, the main proposal for the review of charges is increase by inflation to the nearest pound
- 3.6 A schedule of proposed fees and charges for 2020/21 is attached at Appendix 'C'

4 Financial / Risk Implications

- 4.1 The key financial implications are detailed in the main body of this report. The Council is required to set a balanced budget for 2020/21 and the proposals in this report provide for that.
- 4.2 In preparing the revenue budget estimates, officers have identified the main risks facing the Committee in delivering services within the budget. These budget s will require careful management during the year.

Service	Risk	Budget Estimate 2019/20 £'000	Risk Management
Employee Costs	Medium: Not achieving budgeted staff savings to meet vacancy provision	5,167	Recruitment management, Salaries monitoring
Property Income	Medium: Not achieving budgeted income	(989)	Prudent budgeting & active management of properties
Investment Income	Medium: Not achieving budgeted income	(1,287)	Prudent budgeting, Treasury Management & monitoring

5 Legal Implications

- 5.1 Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. This report accords with that legislation by enabling Members to review their budget for the forthcoming year.

6 Equality Impacts

6.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer	
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No	<p>There are 4 proposals for savings and 2 proposals for growth detailed within the budget variation statement at Appendix E.</p> <p>All of the proposals are considered to have no impact when considered from an equality and diversity standpoint.</p>
What steps can be taken to mitigate any potential negative impact referred to above?	Not Applicable	

7. Conclusion

7.1 Information has been provided to enable the Committee to consider its budget, capital programme, review of charges and partnership arrangements. These issues being also linked to consideration of its Service Plan and Key Performance indicators.

----- end of report -----

Strategy and Resources Committee-Revenue Budget 2020/21		
Variation Statement		
This statement summarises the changes between the Net Direct Budget for 2019/20 and the draft Net Direct Budget for 2020/21		
Summary of Variations	£	£
Net Direct Budget 2019/20		5,896,488
Inflation		191,897
Medium Term Strategy		
Business Rate Adjustment for the collection fund	(250,000)	
Contribution to Business Rates Equalisation reserve	250,000	
New Homes Bonus adjustment	(200,000)	
Contribution to Income Equalisation reserve	100,000	
Increase MRP	81,500	
Increase in Treasury Investment Income	15,000	
Increase in Property Investment Income	(346,800)	
Growth or Loss of Income		
Increase in Individual Electoral Budget	8,300	
Removal of Individual Electoral Grant	16,300	
Other Items below £10,000	600	
* Removal of Vacancy Drag	231,705	
Growth or Loss of Income		(93,395)
Savings or Additional Income		
Wellbeing Contribution from Reserves	(51,300)	
Reduction in Printing, Stationery and Postage	(29,800)	
Other Items below £10,000	(16,300)	
* Salary Saving - Deleted Posts	(313,114)	
Savings or Additional Income		(410,514)
Virements - Centralising Training Budgets		18,000
Net changes to Income and Expenditure		(294,012)
Proposed Net Direct Budget 2018/19		5,602,476
Capital Charges		510,100
Depreciation Reversal		(1,760,600)
Support Services Recharges		(1,431,900)
Proposed Revenue Budget 2020/21		2,920,076
* Changes to Salary Budget (Removal of Vacancy Drag & Salary Savings)		

Strategy and Resources - Revenue Budget for Year Ending 31st March 2021

2019-20 Net Direct	Strategy and Resources Committee - Revenue Estimates for Year Ending 31st March 2021					Capital	Support	Total Net
Rev Est	Description	Employee	Other	Income	Net Direct	Charges	Services	2020/21
£		£	£	£	£	£	£	£
(105,300)	Council Tax	51,000	59,600	(173,900)	(63,300)	0	0	(63,300)
0	Discretionary Housing Payment		106,700	(106,700)	0	0	0	0
47,300	NDR Cost of Collection	199,600		(158,400)	41,200	0	0	41,200
(3,000)	Street Naming & Numbering			(3,100)	(3,100)	0	0	(3,100)
(61,000)	Local Taxation incl Support	250,600	166,300	(442,100)	(25,200)	0	0	(25,200)
74,000	Community Safety	0	75,900	0	75,900	0	0	75,900
74,000	Community Support	0	75,900	0	75,900	0	0	75,900
0	Health - General Prevention	488,800	55,900	(544,700)	0	0	0	0
64,300	Economic Development & Promotion		22,200		22,200	0		22,200
428,500	Policy Unit	394,100	100		394,200	0		394,200
216,100	Public Relations	195,800	46,800		242,600	0		242,600
708,900	Policy Support & Economic Development	1,078,700	125,000	(544,700)	659,000	0	0	659,000
13,600	Community & Civil Defence	0	13,900	0	13,900	0	0	13,900
13,600	Emergency Planning	0	13,900	0	13,900	0	0	13,900
810,600	Corporate Management	634,171	216,700		850,871	0		850,871
243,800	Democratic Representation & Management	112,100	259,700		371,800	0		371,800
58,000	Election of District Councillors		59,500		59,500	0	0	59,500
10,900	Registration of Electors		33,500	(2,000)	31,500	0	0	31,500
1,123,300	Democratic Functions	746,271	569,400	(2,000)	1,313,671	0	0	1,313,671
462,200	Non-Distributed Cost ex Central Expenses		719,900	(257,700)	462,200	0	0	462,200
462,200	Pensions	0	719,900	(257,700)	462,200	0	0	462,200
1,181,500	IT Services	505,200	849,100	(6,700)	1,347,600	278,000	(283,000)	1,342,600
1,181,500	Information Technology	505,200	849,100	(6,700)	1,347,600	278,000	(283,000)	1,342,600
557,400	Finance & Exchequer Services	499,400	140,900	(2,600)	637,700	0	(214,900)	422,800
557,400	Financial Services	499,400	140,900	(2,600)	637,700	0	(214,900)	422,800
135,500	Legal Services	314,400	27,600	(38,700)	303,300	0	(63,700)	239,600
135,500	Legal Services	314,400	27,600	(38,700)	303,300	0	(63,700)	239,600
208,900	Media Creation Unit		186,800	(7,000)	179,800	0	(17,900)	161,900
239,100	Office Services	114,900	455,100	(344,200)	225,800	232,100	(47,400)	410,500
448,000	Office Services	114,900	641,900	(351,200)	405,600	232,100	(65,300)	572,400
330,300	Human Resources	237,700	165,700		403,400	0	(84,700)	318,700
330,300	Human Resources	237,700	165,700	0	403,400	0	(84,700)	318,700
458,600	Customer Services	468,400	5,000	0	473,400	0	(99,400)	374,000
458,600	Customer Services	468,400	5,000	0	473,400	0	(99,400)	374,000
976,600	Case Officer Services	951,100			951,100	0	(379,300)	571,800
976,600	Case Officers	951,100	0	0	951,100	0	(379,300)	571,800
6,408,900	Subtotal	5,166,671	3,500,600	(1,645,700)	7,021,571	510,100	(1,190,300)	6,341,371
	Corporate Income and Expenditure							
(968,400)	Investment Income	0	9,900	(1,297,200)	(1,287,300)	0	0	(1,287,300)
755,100	Interest Payable	0	780,700		780,700	0	0	780,700
(912,700)	Property Income	0		(989,010)	(989,010)	0	0	(989,010)
(35,500)	Transactions with HRA	0		(61,200)	(61,200)		(241,600)	(302,800)
0	Transitional Settlement	0			0	0	0	0
213,400	Minimum Revenue Provision	0	294,900		294,900	0	0	294,900
(537,200)	New Homes Bonus	0	136,000	(873,200)	(737,200)	0	0	(737,200)
(97,612)	Collection Fund Adjustments	0		(630,082)	(630,082)	0	0	(630,082)
150,000	Contribution to / (from) Reserves	0	289,597		289,597	0	0	289,597
0	Depreciation	0	0	0	0	(1,760,600)		(1,760,600)
920,500	Pensions adjustments	920,500	0	0	920,500	0	0	920,500
(512,412)	Corporate and Technical Items	920,500	1,511,097	(3,850,692)	(1,419,095)	(1,760,600)	(241,600)	(3,421,295)
5,896,488	Total	6,087,171	5,011,697	(5,496,392)	5,602,476	(1,250,500)	(1,431,900)	2,920,076

Capital
Charges (1,008,938)
Support
Services (3,777,400)
Total 1,110,150

STRATEGY & RESOURCES COMMITTEE Proposed Fees and Charges

Finance Committee - Fees and Charges	Gross Charges (incl VAT if applicable) Current Charges 2019/20	Proposed Gross Charges (incl VAT if applicable) 2020/21	Percentage Increase 2020/21	Budgeted Income 2019/20	Actual YTD at Sept 19	Expected Outturn 2019/20	Proposed Budget 2020/21
	£	£	%	£	£	£	£

<u>Legal Charges (Per Hour) *</u>							
Head of Legal & Monitoring Officer		261.00					
Principal Solicitor, Assistant Solicitor, Senior Lawyer (Per Hour)	241.00	246.00	2.1%				
Clerical Assistant, Legal Assistant (Per Hour)	178.00	182.00	0.0%				
Legal Assistant / Interns/ Case Officers		100.00					
Support Officer / Apprentices		50.00					
# Drafting a simple licence	500.00	510.00	0.0%				
# Drafting a simple wayleave agreement/ lease	1200.00	1224.00	2.0%				
# Renewal of simple licence	300.00	306.00	2.0%				
# Renewal of simple wayleave agreement/ lease	700.00	714.00	2.0%				
Right to Buy; Request for a management pack	200.00	204.00	2.0%				
Lease Notice		100.00					
*Charities/ Community Groups may be eligible for a 50% discount on legal fees							
Total Budgeted Income				36,000	12,000	27,000	30,000

<u>Court Costs (subject to confirmation from courts)</u>							
Council Tax Summons Charges	62.50	62.50	0.0%				
Council Tax Liability Order	30.00	30.00	0.0%				
NNDR Summons Charges	102.50	102.50	0.0%				
NNDR Liability Order	20.00	20.00	0.0%				
Total Budgeted Income				125,400	-	130,000	128,500

Finance Committee - Fees and Charges							Proposed Budget 2020/21
	Gross Charges (incl VAT if applicable) Current Charges 2019/20	Proposed Gross Charges (incl VAT if applicable) 2020/21	Percentage Increase 2020/21	Budgeted Income 2019/20	Actual YTD at Sept 19	Expected Outturn 2019/20	£
Land Charges							
LLC1	26.00	27.00	3.8%				
CON29	122.40	125.00	2.1%				
Part 2 Questions	17.00	18.00	5.9%				
Solicitors own Questions	60.00	61.00	1.7%				
	0.00	12.00	N/A				
Total Budgeted Income				139,000	50,000	140,000	135,000
Street Naming and Numbering	From £12 to £180	From £12 to £180	0.0%	3,000	1,650	3,000	3,000
Total Budgeted Fees and Charges Income				303,400	63,650	300,000	296,500

CAPITAL PROGRAMME 2019/20 TO 2022/23 - Strategy & Resources Committee

COMMITTEE SCHEMES	Original Programme 2019-20 £	Slippage b/f £	Current Programme 2019-20 £	Estimated Programme 2020-21 £	Estimated Programme 2021-22 £	Estimated Programme 2022-23 £	Total Programme £
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Strategy & Resources

Current Continuing Programme							
Council Offices Major Maintenance Programme	50,000	132,300	182,300	100,000	0	0	282,300
Customer First/IT	150,000	0	150,000	150,000	50,000	0	350,000
Investment & Development Fund	65,000,000	65,374,900	130,374,900	65,000,000	0	0	195,374,900
Land/Asset Development Feasibility Studies	0	153,000	153,000	0	0	0	153,000
Total Current Continuing Programme	65,200,000	65,660,200	130,860,200	65,250,000	50,000	0	196,160,200

Revisions and New Bids

Council Offices Major Maintenance Programme	0	0	0	0	0	0	0
Customer First/IT	0	0	0	0	0	0	0
IT - Hardware/Infrastructure/Customer First Projects	0	0	0	723,600	154,800	163,400	1,041,800
Investment & Development Fund	0	0	(64,374,900)	0	64,374,900	0	0
Land/Asset Development Feasibility Studies	0	0	0	0	0	0	0
Total Revisions & New Bids	0	0	(64,374,900)	723,600	64,529,700	163,400	1,041,800

Proposed Programme

Council Offices Major Maintenance Programme	50,000	132,300	182,300	100,000	0	0	282,300
Customer First/IT	150,000	0	150,000	150,000	50,000	0	350,000
IT - Hardware/Infrastructure/Care First Projects	0	0	0	723,600	154,800	163,400	1,041,800
Investment & Development Fund	65,000,000	65,374,900	66,000,000	65,000,000	64,374,900	0	195,374,900
Land/Asset Development Feasibility Studies	0	153,000	153,000	0	0	0	153,000
Total Proposed Programme	65,200,000	65,660,200	66,485,300	65,973,600	64,579,700	163,400	197,202,000

CAPITAL PROJECT APPRAISAL - STRATEGY & RESOURCES

Title of Scheme	Council Offices Major Maintenance Programme
Description of Scheme	A 25 year planned maintenance programme to enable compliance with legislative and health and safety requirements, achieved through replacement or refurbishment of the major components of the Council Office in line with their deterioration and new compliance requirements.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	Due to the Smarter Working programme, the Major Maintenance programme is depleted pending completion of the major refurbishment work under Smarter Working. The scheme depletion period ends in 2018/19 and it is anticipated that, especially in view of tenant requirements, a full programme of maintenance will commence in 2019/20

Title of Scheme	Customer First/IT
Description of Scheme	A major people change project to remodel the ways of working and culture and to be supported by new business processes across the Council. Funding initially provided for 2017 to 2019, the scheme provides funding for ICT development. It is administered by the Business Improvement & Service Delivery Manager and overseen by a corporate management committee.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	The IT implementation programme is designed to bring efficiencies in the ways of working, designing and developing processes around the needs of the customer. Capital funding will be justified against savings delivered as a result and are initially estimated in the Customer First business case. During 2020/21 the final roll out of mobile technology will be deployed. This hardware plus licensing costs includes mobile phones, tablets in vehicles and for new starters. This programme will support the further use of flexible and home working capability matching the Smarter Working strategy. The future of our computer room capability will also increasingly focus on virtualisation and communication, with cloud services and shared systems becoming an increasing part of our service configuration.

Title of Scheme	IT - Hardware/Infrastructure/Care First Projects
Description of Scheme	The Customer First project envisaged significantly enhancements & development of the existing IT systems. However, Customer First was implemented before the technology solutions, in particular on line capability, were put in place. This has been one of the issues which has led to the performance and staffing issues following the implementation. Consequently, the savings expected under Customer First were removed from the budget prior to the technology being available. Additional projects outside the original scope of Customer First have been identified as essential due to failing software/hardware, system modules bought 3 years ago but not implemented and further possible savings resulting from automation.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	It is necessary to invest in a number of areas :- <ol style="list-style-type: none"> 1. Replacement cycles for laptops, desktops, servers, switches, firewalls on a cyclical basis (2021/22 onwards) 2. Automation of book and pay 3. Planning – end to end migration from one salesforce org to another 4. Civica Decommissioning & migration of EDMS to Sharepoint 5. Orchard – implementation of Promaster, Asset Go, DLO AND Service Charge models 6. Replacement of outdated telephony which is not fit for purpose. 7. Northgate – cloud-based on line solution for Revenues, benefits and NNDR 8. Replacement of Adelante and implementation of automated bank reconciliation <p>The Council plans to set up an IT Strategy Board to develop the Council's IT Strategy and to agree the development and implementation of specific IT schemes to improve service delivery and reduce staffing costs. The IT Strategy Board will be officer based and will reported to the Council's Improvement Working Group. The commissioning of each project will be based on a detailed business case being approved by the IT Strategy Board.</p>

Title of Scheme	Investment and Development Fund
Description of Scheme	Funds have been made available for potential purchase of commercial properties to secure a commercial return. The acquisition of properties are subject to the achievement of a minimum target financial return. Where suitable acquisitions are identified these are subject to Member oversight.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	This programme is designed to generate a commercial investment return to secure the financial viability of the council going forward.

Title of Scheme	Land / Asset Development
Description of Scheme	Funds made available for potential refurbishment of any asset purchased. For example this could include redecoration of any office accommodation purchased to modernise or refresh. This should entice new tenants in sooner to achieve a quicker rental and avoid disruption later down the line should redecoration be required at a later date.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	This programme is designed to improve the commercial viability of any assets purchased by the council.

REPORT TO STRATEGY & RESOURCES COMMITTEE – 23RD JANUARY 2020 AGENDA ITEM 9	
DETERMINATION OF THE 2020/21 COUNCIL TAX BASE FOR TAX SETTING	
Report of:	Grantley Miles - Acting Chief Finance Officer Tel: 01883 732837 Email: gmiles@tandridge.gov.uk
Purpose of Report :	To recommend the Council Tax Base for Council Tax setting for the year 2020/21.
Publication status:	Unrestricted.
Recommendations:	That in accordance with its delegated powers, the Committee resolves that: A. the gross Council Tax Base for 2020/21 is determined at 38,918.5 after taking account of the Councils agreed Council Tax Support Scheme, and B. the net Council Tax Base for 2020/21 is determined at 38,646.1 after adjustment by 0.7% to allow for irrecoverable amounts, appeals and property base changes.
Appendices:	Appendix A – the 2020/21 Council Tax base (page 28)
Background papers defined by the Local Government (Access to Information) Act 1985	None.

1. Statutory Powers

Section 67 of the Local Government Finance Act 1992 requires the Council to determine and approve its Council tax base for the following financial year before 31st January each year.

2. Background

The Council is required to calculate the Council tax base for its area and has a statutory obligation to notify the figure to the major precepting authorities (Surrey County Council and the Surrey Police Authority) with the Council tax base no later than 31st January 2020.

3. Tax Base

- 3.1 The Council tax base is one of the element of the calculations concerned with setting the Council tax under the Local Authorities (Calculation of Council Tax Base) (England) Regulation 2012.
- 3.2 All domestic properties within the District are banded by the Valuation Officer in one of eight bands. The tax base calculation includes the estimated number of chargeable dwelling after allowing for discounts and exemptions, appeals and voids for each parish for the period to 31st March 2020. The number of chargeable properties is converted to Band D equivalents by applying the prescribed formula.
- 3.3 This report sets out the various factors which have to be taken into account and provides the calculations to arrive at the tax base for 2020/21.
- 3.4 The 2020/21 Council Tax base is set out in **Appendix A**.

4. Financial Implication

- 4.1 The Local Government Finance Act 2012 (LGFA 2012) includes a number of amendments to the LGFA 1992 which affects the calculation of the Council of the council tax base. These amendments gave powers to determine own discounts and set premiums in certain circumstances.
- 4.2 Section 10 of the Local Government Finance Act 2012 imposes an obligation on Billing Authorities to set up a Council Tax Reduction Scheme to replace Council Tax Benefit from 1 April 2013. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 specify that the tax base must be adjusted to take account of the amount to be paid in accordance with the reduction scheme.

5. Legal Implications

The Council Tax base is a key element of the statutory calculation of the Council Tax.

6. Conclusion

- 6.1 In arriving at a net base, allowance must be made for irrecoverable amount, movements as a result of appeals and property base changes (new properties). For this purpose an allowance of 0.7% is proposed.
- 6.2 The Council tax base for 2020/21 has been calculated in accordance with the prescribed guidelines.

----- end of report -----

