

## REVENUE BUDGET AND FEES AND CHARGES 2025/26

<b>Head of Service:</b>	Kevin Hanlon, Interim Chief Finance Officer
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<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 – Fees and Charges 2025/26

### Summary

This report sets out estimates for income and expenditure on services in 2025/26 and recommends fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2025.

### Recommendation (s)

#### The Committee is asked to:

- (1) Recommend the 2025/26 service estimates for approval at the budget meeting of Full Council in February 2025;
- (2) Recommend the 2025/26 fees and charges, as set-out in Appendix 1, for approval at the budget meeting of Full Council in February 2025;
- (3) Agree the Council Tax Discount bands for 2025/26, as set-out in section 7.

### 1 Reason for Recommendation

- 1.1 The recommendations will enable the Council to meet its statutory duty to set a balanced budget for 2025/26.

### 2 Background

- 2.1 In February 2024, Full Council agreed the four-year Medium Term Financial Strategy to 2027/28 (MTFS). The MTFS aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.

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- 2.2 The figures in this report reflect the provisional local government finance settlement for 2025/26.
- 2.3 The figures in this report reflect the work undertaken by budget managers and finance staff to identify any changes in resourcing requirements, and the provisional local government finance settlement for 2025/26.
- 2.4 Service estimates for this Committee are included in the draft Budget Book 2025/26 that will be made available to all Councillors.
- 2.5 Estimates have been prepared on the basis that existing services to residents are maintained, unless specified otherwise in section 4.
- 2.6 Where the Council incurs contractual inflationary uplifts, budgets have been adjusted accordingly. The budget also includes a central provision of £172,000 to mitigate any price inflation in excess of 2% next year.
- 2.7 For pay inflation, the previous year included a provision of £982,000, of which £827,000 was a 6% increase to cover cost of living pressures. With inflation having lowered, the provision for 2025/26 has been reduced to £489,000 to cover both pay progression and an inflationary increase to be considered by this committee in an item on the same agenda.
- 2.8 Aside from income and rents, there are a limited number of services provided by the Committee for which fees and charges are levied. The impact of changes to Town Hall room hire charges and land charge tariffs have been estimated and incorporated in the estimates for 2025/26. The proposed tariffs are set out in Appendix 1 to this report.
- 2.9 This Committee agreed back in July 2022, a target to increase overall income from locally set fees and charges by a minimum of 6% annually (then by CPI+1% for both 2026/27 and 2027/28), after making allowance for any further changes in service. Certain charges for committees are being proposed at above or below this level, either to maintain service demand, reduce service subsidy levels or to enable the Council to achieve a balanced budget.
- 2.10 To allow the Council to determine the budget and Council Tax in February, the Committee estimates have been presented as follows:-
  - 2.10.1 The Budget Book contains the service estimates for 2025/26.
  - 2.10.2 Unavoidable cost increases and income reductions are reflected in the estimates.
  - 2.10.3 Recommended increases to fees and charges have been included within the Budget Book and the income estimates.
  - 2.10.4 All increases in charges are subject to approval by the Committee/Council.

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### 3 Forecast Outturn 2024/25

3.1 Before considering the revenue estimates for 2025/26, this section provides a summary of the forecast outturn for the current financial year.

3.2 The probable outturn specifically for Strategy & Resources Committee is a favourable variance of £560,000 which is shown in the following table. The key reasons for the major variances are explained in the subsequent paragraphs.

Strategy & Resources Committee	Original Budget	Current Approved Budget	Forecast Outturn Q2	Forecast Variance
Service Group	£'000	£'000	£'000	£'000
Democratic & Civic	752	752	752	0
Corporate Functions	858	855	855	0
Corporate Financial Management	146	(157)	(682)	(525)
Tax Collection & Benefits	160	238	238	0
Land Charges	19	19	19	0
Land & Property	(3,798)	(2,977)	(2,977)	0
Local Economy	44	74	74	0
Community Safety	78	121	121	0
Contracts - Building Control	101	106	106	0
Employee & Support Services	33	26	(9)	(35)
<b>Strategy &amp; Resources Committee</b>	<b>(1,607)</b>	<b>(943)</b>	<b>(1,503)</b>	<b>(560)</b>

3.3 Despite the Bank of England's base rate cut at the end of July 2024, finance officers project that with continued diligent cash management, at least £1.4m of interest income will be achieved for the year, £325,000 higher than the budgeted target.

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- 3.4 The Council set aside a £500,000 contingency to cover price and contract inflation in 2024/25. It is proposed to ringfence £200,000 of the remaining balance of £220,000 to cover adverse positions across other policy committees.
- 3.5 The favourable variance in Employee and Support Services relates to staff vacancies within central teams not covered by agency.

### 4 Proposals for 2025/26 Budget

- 4.1 The service estimates for 2025/26 are included in the draft Budget Book, circulated to councillors in January.
- 4.2 A summary of the Committee's service estimates for 2025/26 is shown in the following table:

<b>Strategy &amp; Resources Committee</b>	<b>Published Budget 2024/25</b>	<b>Base Position 2025/26</b>
<b>Service Group</b>	<b>£'000</b>	<b>£'000</b>
Democratic & Civic	752	765
Corporate Functions	858	830
Corporate Financial Management	146	947
Tax Collection & Benefits	160	1,388
Land Charges	19	22
Land & Property	(3,019)	(3,137)
Local Economy	74	74
Community Safety	121	117
Contracts - Building Control	90	106
Employee & Support Services	665	347
<b>Strategy &amp; Resources Committee</b>	<b>(134)</b>	<b>1,459</b>

- 4.3 The following table comprises a summary of the main changes to the Committee's proposed budget for 2025/26 compared with the published budget for 2024/25.

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Strategy & Resources Committee		Budget £'000
Published Budget 2024/25		(134)
Service Group	Change	
All	Variations in pay, pension (IAS19) & support service recharges	(49)
All	Sundry variations	15
Democratic & Civic	Difference in staff costs to administer County election in 25/26	(40)
Democratic & Civic	Difference in non-staff costs of County election in 25/26	(25)
Democratic & Civic	Difference in grant funding for County election in 25/26	65
Corporate Financial Mgmt	Decrease corporate contingencies for 2025/26	(78)
Corporate Financial Mgmt	Removal of corporate projects reserve contribution to balance budget	261
Corporate Financial Mgmt	Reduced New Homes Bonus (NHB) income	492
Corporate Financial Mgmt	Contribution to Insurance reserve to self-insure for death in service costs	20
Corporate Financial Mgmt	Inflationary increase of insurance premium	38
Corporate Financial Mgmt	Projected change in interest income, net of fund manager fees	125
Corporate Financial Mgmt	Decrease in pension deficit contributions as per actuary	(61)
Tax Collections & Benefits	Removal of benefit from 2024/25 Surrey business rates pool	150
Tax Collections & Benefits*	Change in contribution from business rates equalisation reserve	974
Land & Property	Increase in EEPIC dividend	(727)
Land & Property	Change in contributions to/(from) Property Income Reserve	700
Land & Property	Increased rental income from rent reviews	(320)
Land & Property	Contribution to property maintenance reserve	200
Land & Property	Increase in Minimum Revenue Provision	27
Contracts	Inflationary increase of Building Control contract	16
Employee & support Services	Reduced provision for pay award for 2025/26	(479)
Employee & support Services	Estimated increase in Employer NI costs	269
Employee & support Services	Estimated government grant to support increased NI costs	(120)
Employee & support Services	Changes in IT services	(33)
Employee & support Services	Reduction of legal services income	16
Employee & support Services	Changes in supplies and services costs (legal services model)	55
Employee & support Services	Increased business rates on the Town Hall	16

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Employee & support Services	New Data Protection service contract	18
Employee & support Services	CIL admin grant funding of staff role removed	30
Employee & support Services	New procurement service contract	38
<b>Base Position 2025/26</b>		<b>1,459</b>

\*The transfer to/from the Collection Fund Equalisation Reserve is currently provisional and is required to fund the prior year collection fund deficit from 2024/25, which generally arises due to statutory government business rate reliefs for businesses in certain sectors such as retail, leisure and hospitality. The deficit is expected to be reimbursed retrospectively by central government through Section 31 grants, however, any residual deficit is met by the Collection Fund Equalisation Reserve. The final quantum of the transfer from the Collection Fund Equalisation Reserve will only be confirmed in late January 2025 when statutory business rates projections are submitted to central government.

### 5 2025/26 Budget Gap

- 5.1 The forecast budget gap for 2025/26 at the start of the budget setting process was £573,000. Following confirmation of grant funding for the Council in 2025/26, including increased Homelessness Prevention grant and a new Extended Producer Responsibility grant of £671,000, the Council is proposing no appropriation from the Corporate Project reserve be used (in 2024/25 £528,000 has budgeted to mitigate the forecast budget gap).
- 5.2 This proposal does not resolve the budget deficit for future years. The Extended Producer Responsibility grant brings with it new responsibilities for waste collection which may additional capital and revenue resources to ensure compliance. These resources will need to be made available where statute requires changes to the service. In addition, the level of funding of this grant in future years is uncertain. The forecast income from this grant assumed within the MTFs from 2026/27 will be reduced to 50% of the 2025/26 level to allow for a potential drop in future funding.
- 5.3 The demand for homelessness services continues to pose a risk to the Council's financial position. Whilst increased grant has been awarded from central government for 2025/26, this has only alleviated some of the existing pressure on the service. The Council has a Homelessness Strategy & Action Plan with the aim of tackling and preventing homelessness in the borough.

### 6 Fees and Charges 2025/26

- 6.1 Fees and charges within the remit of this Committee are set out in Appendix 1.

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- 6.2 In February 2018, the Committee confirmed that the Chief Finance Officer should have delegated authority to vary fees and charges for items generating income under £1,000 per annum and/or for one-off items not included in the fees and charges schedule.
- 6.3 Charges at the Town Hall for room hire and associated officer time fees have been raised between 6% and 8%, to reflect increased inflationary pressures. A number of income budgets have been removed due to being obsolete, and the remaining budgeted income totals £1,200.
- 6.4 The charge for copies of agendas for EWDC and NJMC have been increased by 50% to bring them in line with all other committee and Council agendas. This is an infrequently used service and therefore expected to have minimal impact on residents.
- 6.5 For land charge searches, fees have been raised between 5% and 8%, to reflect increased inflationary pressures. The annual income budget for land charges is £102,000.

### **7 Council Tax Income Discount Scheme 2025/26**

- 7.1 In November 2020, Strategy & Resources Committee agreed to replace the previous means-tested Local Council Tax Support with a simpler, income-banded Council Tax Discount scheme.
- 7.2 Income bands and discounts are subject to member approval each year. For 2025/26, bands have been uprated in line with the Council's scheme rules;
  - 7.2.1 Income bands have been uprated by 1.7% (and rounded up to whole figures), which is the DWP benefit uprating figure for 2025/26.
- 7.3 Council tax discounts range from 80% for households in income band A, to 40% for those in income band D.
- 7.4 The Council Tax Income Discount scheme, which commenced in 2021/22, was established following a detailed analysis of the Council's working age caseload requiring financial support and was based on similar discount schemes run by other local authorities.
- 7.5 The income bands are considered appropriate for the current caseload and, having been increased by the September CPI figure, are in line with the increase in national social security benefits.
- 7.6 Since the scheme cost falls on the local council tax payer, it was not designed to change the bands (other than by inflation) or discount percentages on an annual basis, and this assumption has been used when setting council tax.

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- 7.7 Pensioners continue to receive support through the Council Tax Reduction scheme set by central government and are not affected by this scheme.
- 7.8 The Council's Local Care Leavers Discount remains in place and is unaffected by the Council Tax Income Discount scheme
- 7.9 The proposed income bands for 2025/26 are shown in the following table, which members are asked to agree. 2024/25 comparatives are shown in the subsequent table.

2025/26	Household Type & Monthly Income				
Council Tax reduction percentage	Passported	Single, no children	Couple, no children	Lone parent/Couple with one child	Lone parent/couple with two or more children
Category A – 80%	Relevant Benefit	£0.00 - £401.00	£0.00 - £748.00	£0.00 - £977.00	£0.00 - £1,268.00
Category B – 65%	N/A	£401.01 - £613.00	£748.01 - £983.00	£977.01 - £1,188.00	£1,268.01 - £1,524.00
Category C – 50%	N/A	£613.01 - £722.00	£983.01 - £1,172.00	£1,188.01 - £1,317.00	£1,524.01 - £1,870.00
Category D – 40%	N/A	£722.01 - £1,469.00	£1,172.01 - £1,854.00	£1,317.01 - £2,251.00	£1,870.00 - £3,653.00



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2024/25	Household Type & Monthly Income				
Council Tax reduction percentage	Passported	Single, no children	Couple, no children	Lone parent/Couple with one child	Lone parent/couple with two or more children
Category A – 80%	Relevant Benefit	£0.00 - £394.00	£0.00 - £735.00	£0.00 - £961.00	£0.00 - £1,247.00
Category B – 65%	N/A	£394.01 - £603.00	£735.01 - £967.00	£961.01 - £1,168.00	£1,247.01 - £1,499.00
Category C – 50%	N/A	£603.01 - £710.00	£967.01 - £1,152.00	£1,168.01 - £1,295.00	£1,499.01 - £1,839.00
Category D – 40%	N/A	£710.01 - £1,444.00	£1,152.01 - £1823.00	£1295.01 - £2,213.00	£1.839.01 - £3,592.00

## 8 Risk Assessment

Legal or other duties

### 8.1 Equality Impact Assessment

8.1.1 The report in itself does not give rise to any EIA implications

### 8.2 Crime & Disorder

8.2.1 None arising from the contents of this report.

### 8.3 Safeguarding

8.3.1 None arising from the contents of this report.

### 8.4 Dependencies

8.4.1 Other Policy Committees are also being presented with their budgets for approval in the January committee cycle.

### 8.5 Other

8.5.1 In preparing the revenue budget estimates officers have identified the following main risks facing the Committee in delivering services within the budget. These budgets will require careful management during the year.

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Service	Risk	Budget Estimate 2025/26	Risk Management
Land and property rental income	<b>High:</b> Loss of tenants and commercial rental income.	Total Budgeted Income EEBC £3,711k  Budgeted EEPIC Dividend Income £1,353k	Monthly monitoring including analysing income against target continues. This includes regular budget monitoring reports in line with Financial Regulations.
Savings / Additional Income Delivery	<b>Medium:</b> Savings targets have been agreed across the Council's budget. There is a risk that if the savings are not delivered the Council's deficit position will widen further.	Budgeted savings:  S&R - £93k Env - £30k C&W - £0 LPPC - £0	Officers will monitor income and costs throughout the year.  Progress on meeting savings targets will be reports to members through quarterly budget monitoring.

## 9 Financial Implications

- 9.1 The draft Budget Book 2025/26 is highly detailed, therefore please can any questions or queries be sent to relevant officers in advance of the Committee meeting wherever possible.
- 9.2 **Section 151 Officer's comments:** Financial implications are contained within the body of this report.

## 10 Legal Implications

- 10.1 The Council is under a statutory obligation to produce a balanced budget and to comply with its policy on equalities.
- 10.2 Although there are no direct legal implications arising from this report, decisions taken about the budget will impact the services which can be delivered. In the event of any impact, there will need to be an equalities impact assessment in relevant cases.
- 10.3 **Legal Officer's comments:** None arising further to the content of this report.

## 11 Policies, Plans & Partnerships

- 11.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Effective Council.

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- 11.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 11.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.
- 11.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 11.5 **Partnerships:** None arising from the contents of this report.

## 12 Background papers

12.1 The documents referred to in compiling this report are as follows:

### **Previous reports:**

- [2025/26 Strategic Financial Planning, Strategy & Resources Committee, 23 July 2024.](#)

### **Other papers:**

- Draft 2025/26 Budget Book.