

Strategy and Resources Committee

27 January 2026

REVENUE BUDGET AND FEES AND CHARGES 2026/27

Head of Service:	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author	Sue Emmons, Chief Accountant
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Fees and Charges 2026/27

Summary

This report sets out estimates for income and expenditure on services in 2026/27 and recommends fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2026.

Recommendation (s)

The Committee is asked to:

- (1) Recommend the 2026/27 service estimates for approval at the budget meeting of Full Council on 10 February 2026, amended since the publication of the draft budget book, as set out in table 4.6;
- (2) Recommend the 2026/27 fees and charges, as set-out in Appendix 1, for approval at the budget meeting of Full Council on 10 February 2026;
- (3) Agree the Council Tax Discount bands for 2026/27, 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 2026/27.

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2 Background

- 2.1 In February 2025, Full Council agreed an updated 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. The MTFS was further revised in light of further information, as reported to Strategy & Resources Committee in July 2025.
- 2.2 The figures in this report reflect the provisional local government finance settlement for 2026/27. 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 2026/27.
- 2.3 Service estimates for this Committee are included in the draft Budget Book 2026/27 that has been made available to all Councillors.
- 2.4 Estimates have been prepared on the basis that existing services to residents are maintained.
- 2.5 To allow the Council to determine the budget and Council Tax in February, the Committee estimates have been presented as follows:-
 - 2.5.1 The Budget Book contains the service estimates for 2026/27.
 - 2.5.2 Unavoidable cost increases and income reductions are reflected in the estimates.
 - 2.5.3 Recommended increases to fees and charges have been included within the Budget Book and the income estimates.
- 2.6 All increases in charges are subject to approval by the Committee/Council.

3 Forecast Outturn 2025/26

- 3.1 Before considering the revenue estimates for 2026/27, this section provides a summary of the forecast outturn for the current financial year 2025/26.
- 3.2 The probable outturn specifically for Strategy & Resources Committee is a favourable variance of £500,000 which is shown in the following table. The key reasons for the major variances are explained in the subsequent paragraphs.

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Strategy & Resources Committee	Published Budget	Current Approved Budget	Forecast Outturn Q2	Forecast Variance
Service Group	£'000	£'000	£'000	£'000
Democratic & Civic	765	778	778	0
Corporate Functions	830	830	830	0
Corporate Financial Management	947	749	249	(500)
Tax Collection & Benefits	1,259	1,313	1,313	0
Land Charges	22	22	22	0
Land & Property	(3,137)	(3,260)	(3,260)	0
Local Economy	74	74	74	0
Community Safety	117	120	120	0
Contracts - Building Control	106	106	106	0
Employee & Support Services	347	(27)	(27)	0
Strategy & Resources Committee	1,330	706	206	(500)

3.3 Two contingencies held to mitigate corporate risks within the council have been identified as available to be ringfenced to offset pressures within other services within the council. These represent a favourable variance of £400,000.

3.4 Despite a recent drop in Bank of England interest rates, income from Treasury Management is forecast to overachieve by £100,000 as a result of good treasury management and fixed term deposits, secured when rates were higher.

4 Proposals for 2026/27 Budget

4.1 The service estimates for 2026/27 are included in the draft budget book, circulated to councillors in January.

4.2 Since the draft budget book was published, an overstatement of grant income within housing has been identified. The grant funding for Rough Sleeping has been included within the main Homelessness Prevention Grant for 2026/27, which led to the sum of £42,970 being included twice within the service estimates for Community & Wellbeing Committee.

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4.3 At its meeting on 13 January 2026, Community & Wellbeing Committee agreed to recommend to Full Council, service estimates which were £42,970 higher than stated within the Draft Budget Book and committee papers, so that the final figures considered by Full Council represent the correct amount of grant due to be received.

4.4 Given the pressure on expenditure budgets within housing, to offset the £42,790, an equal reduction has been made to the corporate contingency, which sits within Strategy & Resources committee. Consequently, the service estimates being presented to this committee are £42,790 lower than presented in the draft budget book.

4.5 This committee is therefore being asked to recommend to Full Council in February, the service estimates set out in the final column of the table below. To illustrate the change to the estimates as a result of the reduction in corporate contingency, the original figures as detailed in the draft budget book have been included within the shaded column of figures.

4.6 A summary of the Committee's service estimates for 2026/27 is shown in the following table. The shaded column agrees to the draft budget book, and the end column reflects the changes following the use of £42,790 of corporate contingency, and which represents the service estimates committee are being asked to recommend:

Strategy & Resources Committee	Published Budget 2025/26	Original Base Position 2026/27	Revised Base Position 2026/27
Service Group	£'000	£'000	£'000
Democratic & Civic	765	811	811
Corporate Functions	830	843	843
Corporate Financial Management	947	1,152	1,109
Tax Collection & Benefits	1,259	1,570	1,570
Land Charges	22	27	27
Land & Property	(3,137)	(3,700)	(3,700)
Local Economy	74	74	74
Community Safety	117	99	99
Contracts - Building Control	106	106	106
Employee & Support Services	347	365	365
Strategy & Resources Committee	1,330	1,347	1,304

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4.7 The following table comprises a summary of the main changes to the Committee's proposed budget for 2026/27 compared with the published budget for 2025/26. The shaded column agrees to the draft budget book, and the end column reflects the changes following the use of £42,790 of corporate contingency.

Strategy & Resources Committee		Budget £'000	Budget £'000
Published Budget 2025/26		1,330	1,330
Service Group	Change		
All	Variations in pay, pension (IAS19) & support service recharges	68	68
Democratic & Civic	Increase in member & mayoral allowances	23	23
Corporate Financial Management	Removal of budgeted revenue contribution to capital	(500)	(500)
Corporate Financial Management	Increase to inflationary and corporate contingencies	590	547
Corporate Financial Management	Projected change in interest income	125	125
Tax Collection & Benefits	Change in contribution from business rates equalisation reserve*	129	129
Tax Collection & Benefits	Change in estimated housing benefit payments and recovery	85	85
Land & Property	Premises efficiency savings in 2026/27	(230)	(230)
Land & Property	Removal of budgeted contribution to planned maintenance reserve	(200)	(200)
Land & Property	Increased rental income from rent reviews	(79)	(79)
Community Safety	Funding from Surrey Police for CCTV usage	(23)	(23)
Employee & Support Services	Reduced provision for pay award for 2026/27	(96)	(96)
Employee & Support Services	Removal of government grant to support increased NI costs	125	125
Employee & Support Services	Electricity efficiency savings	(25)	(25)
All	Sundry variations	25	25
Base Position 2026/27		1,347	1,304

*There is no transfer to/from the Collection Fund Equalisation Reserve currently budgeted. The statutory business rates projections are submitted to central government in late January, and at that stage any requirement to transfer to or from the Collection Fund Equalisation Reserve will only be confirmed. This figure remains provisional until that time.

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5 2026/27 Budget Position

- 5.1 The forecast budget gap for 2026/27 at the start of the budget setting process was £1.928 million. Following confirmation of grant funding for the Council in 2026/27, including increased Extended Producer Responsibility grant of £1.078 million, the Council has managed to produce a balanced budget.
- 5.2 This proposal does not resolve the budget deficit for future years.
- 5.3 The demand for homelessness services continues to pose a risk to the Council's financial position. Whilst an injection of £750,000 of additional funding for nightly paid accommodation costs has been included in the budget 2026/27, any further increase in demand for the service could result in an adverse position. The Council has a Homelessness Strategy & Action Plan with the aim of tackling and preventing homelessness in the borough.

6 Fees and Charges 2026/27

- 6.1 Fees and charges within the remit of this Committee are set out in Appendix 1.
- 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.
- 6.4 Three land charge search fees have been removed for 2026/27 as providing this information has now been taken over by HM Land Registry. These were the LLC1 Charged at £35, the Parcel Fee (LLC1) charged at £12 and the Assisted Personal Search/LLCR charged at £0.80. The budgeted income for those fees was £7,000, and this has been transferred to the budget for the other fees, keeping the total annual income budget for land charges at £102,000.

7 Council Tax Income Discount Scheme 2026/27

- 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;

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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.

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 2026/27 are shown in the following table, which members are asked to agree. 2025/26 comparatives are shown in the subsequent table.

2026/27		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
Band A – 80%	Relevant Benefit	£0.00 - £426.00	£0.00 - £795.00	£0.00 - £1,039.00	£0.00 - £1,348.00
Band B – 65%	N/A	£426.01 - £638.00	£795.01 - £1,022.00	£1,039.01 - £1,234.00	£1,348.01 - £1,583.00
Band C – 50%	N/A	£638.01 - £751.00	£1,022.01 - £1,217.00	£1,234.01 - £1,369.00	£1,583.01 - £1,943.00
Band D – 40%	N/A	£751.01 - £1,525.00	£1,217.01 - £1,1925.00	£1,369.01 - £2,337.00	£1,943.01 - £3,793.00

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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
Band A – 80%	Relevant Benefit	£0.00 - £401.00	£0.00 - £748.00	£0.00 - £978.00	£0.00 - £1,269.00
Band B – 65%	N/A	£401.01 - £614.00	£748.01 - £984.00	£978.01 - £1,188.00	£1,269.01 - £1,525.00
Band C – 50%	N/A	£614.01 - £723.00	£984.01 - £1,172.00	£1,188.01 - £1,318.00	£1,525.01 - £1,871.00
Band D – 40%	N/A	£723.01 - £1,469.00	£1,172.01 - £1,854.00	£1,318.01 - £2,251.00	£1,871.01 - £3,654.00

8 Risk Assessment

Legal or other duties

8.1 Equality Impact Assessment

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

8.3 Crime & Disorder

8.3.1 None arising from the contents of this report.

8.4 Safeguarding

8.4.1 None arising from the contents of this report.

8.5 Dependencies

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

8.6 Other

8.6.1 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 2026/27	Risk Management
Land and property rental income	High: Loss of tenants and commercial rental income.	Total Budgeted Income EEBC £3,752k Budgeted EEPIC Dividend Income £1,380k	Monthly monitoring including analysing income against target continues. This includes regular budget monitoring reports in line with Financial Regulations

9 Financial Implications

- 9.1 The draft Budget Book 2025/26 is highly detailed; therefore, any questions or queries should be sent to relevant officers in advance of the committee meeting wherever possible.
- 9.2 **Section 151 Officer's comments:** The proposals set out in this report enable the Council to meet its statutory duty. The estimates have been prepared in accordance with the Council's financial regulations and reflect the provisional local government finance settlement for 2026/27.
- 9.3 Through a combination of confirmed grant funding, efficiency savings, and prudent financial planning, a balanced budget has been achieved for 2026/27. However, significant financial challenges remain which underlines the need for ongoing work to identify sustainable savings and income generation opportunities.
- 9.4 The budget includes provision for known service pressures, including homelessness, which remains a key financial risk. While additional funding of £750,000 has been allocated to mitigate rising costs, demand volatility could still impact the Council's financial position. Other risks include reliance on commercial property income and interest rate fluctuations, which will require close monitoring throughout the year.
- 9.5 The estimates are robust and the reserves are adequate for 2026/27. However, the Council must continue to maintain strong financial discipline.

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.

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- 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 from the contents of this report.

11 Policies, Plans & Partnerships

- 11.1 **Council's Key Priorities:** The following Key Priorities are engaged:
 - Effective Council.
- 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:** Many services are provided by the Council without the direct involvement of other agencies. There is, however, an increasing role for partnership working with others to achieve mutually agreed objectives. The benefits and risks need to be assessed in each specific case to ensure that value for money is secured and the Council's priorities are delivered in the most efficient and effective manner.
- 11.6 **Local Government Reorganisation Implications:** While the current Medium Term Financial Strategy has been prepared on a three-year basis, the assumptions underpinning 2027/28 and beyond will require close monitoring, as they are likely to change while Surrey implements LGR which will be in place by 1 April 2027. The figures presented here does help to form an important reference point for East Surrey unitary authority.
- 11.7 The council will ensure that its planning assumptions are regularly reviewed and that emerging risks are clearly understood to support a smooth transition to the new unitary authority.
- 11.8 However, it's important to note that Local Government Reorganisation continues to present a strategic risk for the Council and necessary arrangements are put in place to address the emerging financial and other risks.

12 Background papers

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

Previous reports:

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- [2026/27 Strategic Financial Planning report to Strategy & Resources – 15 July 2025.](#)

Other papers:

- Draft 2026/27 Budget Book.