

To:
All members of the
Council

Please reply to:
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Date: 16 February 2022

Supplementary Agenda

Council - Thursday, 24 February 2022

Dear Councillor

I enclose the following items for the Council meeting to be held on Thursday, 24 February 2022:

- 15. Detailed Revenue Budget 2022/23** **3 - 8**
- To consider the detailed Revenue Budget for 2022/23, as recommended by the Corporate Policy and Resources Committee.
- An addendum to this item was published on 18 February 2022.
- 17. Estimated 2022/23 to 2025/26 Capital Programme**
- To agree the Capital Programme for 2022/23, as recommended by the Corporate Policy and Resources Committee.
- a) Estimated 2022/23 to 2025/26 Capital Programme update - Victory Place **9 - 16**
- To consider an amendment to the Capital Programme for 2022/23, as recommended by the Development Sub-Committee.

Yours sincerely

Gary Lelliott
Committee Services

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To the members of the Council

Councillors:

I.T.E. Harvey (Mayor)
S.M. Doran
C.F. Barnard
M.M. Attewell
C.L. Barratt
R.O. Barratt
C. Bateson
I.J. Beardsmore
M. Beecher
J.R. Boughtflower
A. Brar
S. Buttar
R. Chandler

J.T.F. Doran
R.D. Dunn
S.A. Dunn
T. Fidler
N.J. Gething
M. Gibson
K.M. Grant
A.C. Harman
H. Harvey
N. Islam
T. Lagden
V.J. Leighton
M.J. Madams

A.J. Mitchell
L. E. Nichols
R.J. Noble
O. Rybinski
D. Saliagopoulos
J.R. Sexton
R.W. Sider BEM
V. Siva
R.A. Smith-Ainsley
B.B. Spoor
J. Vinson
S.C. Mooney

Council



24 February 2022

Title	Addendum Detailed Revenue Budget for 2022/23
Purpose of the report	To advise Council of a correction to the Surrey County Council precept figure for Band H from £3,752.38 to £3,252.78 as shown in precepts issued to the Council below, and Appendix H which is attached. All other information contained in the original report is unchanged.
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Affordable Housing Recovery Environment Service Delivery
Recommendations	<p>Committee is asked to asked to recommend that Council consider and approves the following:</p> <ol style="list-style-type: none"> 1. To approve a 2.4% increase on Band D for the Spelthorne Borough Council element of the Council Tax for 2022/23. Moreover: <ol style="list-style-type: none"> a. The revenue estimates as set out in Appendix 1 be approved. b. No money, as set out in this report is to be appropriated from General Reserves in support of Spelthorne's local Council tax for 2022/23. c. To agree that the Council Tax base for the year 2022/23 is 40,703 Band D equivalent dwellings calculated in accordance with regulation 3 of the Local Authorities (Calculation of Council tax base) Regulations 1992, as amended, made under Section 35(5) of the Local Government Finance Act 1992. 2. Continuing the Council's Local Council Tax Support Scheme with the current rules and regulations. 3. Continuing the complete disregard of war pension / armed forces pension income from benefit calculations. 4. The growth and savings items as set out in the report's appendices 2 and 3. 5. To note the Chief Finance Officer's commentary in section 4 of the report on the robustness of budget estimates and

levels of reserves under sections 25 and 26 of the Local Government Act 2003

6. The Council Tax Base for the whole council area for 2021/22. [Item T in the formula in Section 31b (3) of the local government Finance Act 1992, as amended (the “act”)] should be 40,703 band D equivalent dwellings and calculate that the Council Tax requirement for the Council’s own purpose for 2022/23 is £210.05 Per Band D equivalent dwelling.

That the following sums be now calculated by the Council for the year 2022/23 in accordance with Section 31 to 36 of the Local Government Act 1992.

A	119,603,377	Being the aggregate of the amount which the council estimates for the items set out in Section 31A (2) of the Act considering all precepts issued to it by Parish Councils.
B	111,053,652	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (3) of the Act
C	8,549,725	Being the amount by which the aggregate at (A) above exceeds the aggregate at (B) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year
D	210.05	Being the amount at (C) above divided by the

			amount at 5c (above), calculated by the Council in accordance with Section 31B (1) of the act, as the basic amount of its Council Tax for the year (including Parish precepts)
	E	0	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
	F	210.05	Being the amount at (D) above less the result given by dividing the amount at (E) above by the amount at 5c (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 on those parts of its area to which no Parish precept relates.
<p>That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.</p>			

	A £	B £	C £	D £	E £	F £	G £	H £
	140.03	161.37	186.71	210.05	258.73	304.41	350.08	420.10
Reason for Recommendation	To deliver services for its residents the Council has to set a balanced Revenue Budget and determine its council tax levels							

Precepts issued to the Council

	A £	B £	C £	D £	E £	F £	G £	H £
Surrey County Council	1,084.26	1,264.97	1,445.68	1626.39	1,987.81	2,349.23	2,710.65	3252.78
Surrey Police & Crime Commissioner	197.05	229.89	262.73	295.57	361.25	426.93	492.62	591.14

Appendix H – addendum Summary calculation of the total Council Tax (SBC, SCC and SPCC) for different valuation bands for 2022/23

**CALCULATION OF COUNCIL TAX FOR DIFFERENT VALUATION BANDS FOR 2022/23
SUMMARY**

<u>VALUATION BAND</u>	A	B	C	D	E	F	G	H
1. Precepts issued to the Council								
	£	£	£	£	£	£	£	£
i) Surrey County Council	1084.26	1264.97	1445.68	1626.39	1987.81	2349.23	2710.65	3252.78
ii) Surrey Police	197.05	229.89	262.73	295.57	361.25	426.93	492.62	591.14
2. Spelthorne's Council Tax	140.03	163.37	186.71	210.05	256.73	303.41	350.08	420.10
3. The total of items 1 and 2 above, which is the full Council Tax for 2020/21	1,421.34	1,658.23	1,895.12	2,132.01	2,605.79	3,079.57	3,553.35	4,264.02

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Council
Addendum
24 February 2022



Title	Addendum Estimated 2022/23 to 2025/26 Capital Programme update
Purpose of the report	To approve the £3.965m addition to the estimated 2022/23 to 2025/26 capital programme based on the material increase in budgeted costs for Ashford Victory Place, as notified to officers after the Corporate Policy & Resources Committee meeting on 7 February.
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Affordable Housing Recovery Environment Service Delivery
Recommendations	Council is asked to review the feedback provided by the Development Sub Committee (being held on 21 February 2022) and approve the revised Capital Programme for 2022/23 to 2025/26, which includes the increase in budget of £3.965m for Ashford Victory Place, as shown in appendix 1.
Reason for Recommendation	<p>Following the meeting of the Corporate Policy & Resources Committee on 7 February, which recommended the estimate 2022/23 to 2025/26 capital programme, Officers were subsequently advised that due to delays with obtaining planning permission and building material and labour inflationary pressures, an increase of £3.965m to the current approved budget would be required.</p> <p>As mentioned above, the revised budget for Victory Place is being presented to the Development Sub Committee meeting on 21 February and there will be insufficient time to call a meeting of the Corporate Policy & Resources Committee to consider their decision and make a recommendation to Council.</p> <p>Therefore, in view of the materiality of the sums involved and impact on our capital programme Council will be asked to consider the decision of the Development Sub Committee and approve this additional expenditure.</p>

1. Key issues

- 1.1 At their meeting on 7 February the Corporate Policy & Resources Committee reviewed the report for the estimated Capital Programme which forecast that as at 1 April 2022 the Council's multi-year Capital Programme would be £265.3m and it is forecast that by 31 March 2021 £27.3m will have been spent, leaving a forecast budget balance of £243.8m to be incurred.
- 1.2 After the meeting, officers were advised that the costs for Ashford Victory Place had increased by just under £4m and are submitting a report on 21 February to the Development Sub Committee, who will be asked to recommend to Council the budget increase of £3.965m, which has occurred due to the delays in obtaining planning permission and the volatility of price inflation and shortage of labour in the construction industry and this is expected to continue to rise sharply over the next 1-2 years.
- 1.3 Officers have advised the Chair of both the Corporate Policy & Resources and Development Sub Committee about this significant and material increase in costs. Members of the Corporate Policy & Resources Committee have also been advised of the situation, as there is insufficient time to call a further meeting of that Corporate Policy & Resources Committee before Council meet to discuss the estimate Capital Programme on 24 February.
- 1.4 Council will be asked to approve a net budget of £247.7m (£269.2m of approved budget, less £27.3m forecast actual spend as at 31 March 2022)
- 1.5 The £62.2m of new projects for 2022/23, which have been phased across the four years of the Programme, as shown in Appendix 1 below, is not impacted by this matter.
- 1.6 Considering these additions, the new estimated Capital Programme for 2022/23 to 2025/26 is £306.5m, as shown in Appendix 1.
- 1.7 The revised aggregate estimated Capital Programme attributable to each committee for 2022/23, before funding is applied is shown in the table below.

	2022/23	2023/24	2024/25	2025/26
	Actual £000s	Estimated £000s	Estimated £000s	Estimated £000s
Community Wellbeing & Housing - DFG	973	973	973	973
Community Wellbeing & Housing	34,963	86,115	79,253	57,661
Environment & Sustainability	531	1,595	455	320
Corporate Policy & Resources	28,990	13,254	1,850	0
Neighbourhood Services	300	0	0	0
Regulatory & Administration	1,434	0	0	0
Total before funding	67,191	101,937	82,531	58,954

2. Prudential Indicators (PI)

2.1 This change impacts on PI number two and has been recalculated and shown in Appendix 2.

Operational Boundary

2.2 Is not materially impacted by this addendum.

Authorised Limit

2.4 Is not materially impacted by this addendum.

Estimates of financing costs to net revenue stream

2.5 This indicator compares the total principal and net interest payments on external debt to the overall revenue spending of the Council and is a measure of affordability of borrowing and is shown in table 2 of Appendix 2.

2.6 The net revenue stream, as defined by CIPFA consist of Council Tax receipts and all government funding received in the year, it excludes investment income.

2.7 As the Council continues to repay its loans, the interest charge will start to reduce, and the capital repayment element will increase, and therefore the ratio will start to fall over the coming years and highlights the importance of the Council continuing with its policy to build its reserves as well as using the net investment income to support its service deliver and regeneration programme.

2.8 If our net investment income from our property portfolio were included (which was why Council took out the loans) the ratios would be as follows:

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Net Revenue Stream,	25,957	25,740	27,247	27,699
Financing costs,	36,213	36,454	36,647	36,920
Ratio	1.39	1.42	1.35	1.33

Commercial income, related costs, and net contributions to future costs

2.9 Is not materially impacted by this addendum.

3. Financial implications

3.1 The revised planned financing of the 2022/23 proposed Capital Schemes is as follows:

Type of Funding	2022/23 Actual £000s	2023/24 Estimated £000s	2024/25 Estimated £000s	2025/26 Estimated £000s
Capital Receipts, CIL and S106 funding	3,000	3,000	3,000	3,000
External Funding - Disabled Facilities Grant	973	973	973	973
Revenue Contributions to capital outlay	750	750	750	750
Grants & Other Contributions	220	250	250	250
Borrowing	61,948	96,964	77,658	53,981
Total	67,191	101,937	82,631	58,954

4. Equality and Diversity

4.1 Is not materially impacted by this addendum.

5. Sustainability/Climate Change Implications

5.1 Is not materially impacted by this addendum.

6. Timetable for implementation

6.1 Is not materially impacted by this addendum.

Background papers: There are none.

Appendices:

1 - 2022/23 to 2025/26 Capital Programme amended for Ashford Victory Place

2 - Prudential Indicators.

Portfolio / Service Head Cost Centre Description	Estimated expenditure at 31 March 2022	Revised Cumulative Budget 2017-25	New Growth bids for 2022/23	Total	2022/23	2023/24	2024/25	2025/26	Total	
Housing Investment Programme										
Community Wellbeing & Housing- DFG										
Karen Sinclair & Deborah	40,203	0	943,200	943,200	943,200	943,200	943,200	943,200	3,772,800	
Karen Sinclair & Deborah	40,204	0	29,600	29,600	29,600	29,600	29,600	29,600	118,400	
		0	-972,800	-972,800	-972,800	-972,800	-972,800	-972,800	-3,891,200	
Total For HIP		0	0	0	0	0	0	0	0	
Other Capital Programme										
Environment & Sustainability										
Terry Collier	41,606	127,000	0	127,000	127,000	0	0	0	127,000	
Jackie Taylor	41,609	100,000	0	100,000	100,000	0	0	0	100,000	
Jackie Taylor	41,620	0	50,000	50,000	50,000	50,000	50,000	50,000	200,000	
Jackie Taylor		0	80,000	80,000	80,000	245,000	405,000	270,000	1,000,000	
Jackie Taylor	Funding	0	-45,000	-45,000	-45,000	0	0	0	-45,000	
Isabel Soane		0	150,000	150,000	150,000	0	0	0	150,000	
Isabel Soane	Funding	0	-150,000	-150,000	-150,000	0	0	0	-150,000	
		0	0	0	0	1,300,000	0	0	1,300,000	
Lee O'Neil	41,314	24,500	0	24,500	24,500	0	0	0	24,500	
	Committee Total	0	251,500	85,000	336,500	336,500	1,595,000	455,000	320,000	2,706,500
Community Welfare & Housing										
Nick Cummings	41,024	-2,307,372	40,420,000	38,112,628	7,253,000	23,348,000	7,143,000	368,628	38,112,628	
Nick Cummings	41,328	-40,005	15,267,000	15,226,995	8,000,000	7,226,995	0	0	15,226,995	
Nick Cummings	42,052	-379,878	2,990,000	2,610,122	0	2,610,122	0	0	2,610,122	
Nick Cummings	42,054	-1,338,566	54,430,000	53,091,434	1,600,000	15,000,000	22,000,000	14,491,434	53,091,434	
Nick Cummings	42,057	-1,480,027	31,470,000	29,989,973	9,000,000	9,000,000	11,989,973	0	29,989,973	
Nick Cummings	42,060	-21,288,689	105,200,000	83,911,311	3,000,000	23,000,000	32,000,000	25,911,311	83,911,311	
Marta Inge		0	35,000,000	35,000,000	6,060,000	5,930,000	6,120,000	16,890,000	35,000,000	
Jayne Bronlow		0	49,875	49,875	49,875	0	0	0	49,875	
	Committee Total	-26,834,537	249,777,000	35,049,875	257,992,338	34,962,875	86,115,117	79,252,973	57,661,373	257,992,338

Portfolio / Service Head Cost Centre Description	Estimated expenditure at 31 March 2022	Revised Cumulative Budget 2017-25	New Growth bids for 2022/23	Total	2022/23	2023/24	2024/25	2025/26	Total		
Corporate Policy & Resources											
Nick Cummings	42,063	Elmsleigh Centre	-390,331	5,350,000	0	4,959,669	2,000,000	2,609,669	350,000	0	4,959,669
	42,063	William Hill	0	6,000,000	0	6,000,000	200,000	4,300,000	1,500,000	0	6,000,000
	42,063	Tothill MSCP	0	4,500,000	0	4,500,000	500,000	4,000,000	0	0	4,500,000
	42,063	Decathlon Unit	0	2,150,000	0	2,150,000	0	2,150,000	0	0	2,150,000
Paul Taylor		Centros Upgrade	0	0	384,400	384,400	190,000	194,400	0	0	384,400
Nick Cummings		Elmsleigh Centre WCs	0	0	50,000	50,000	50,000	0	0	0	50,000
Nick Cummings		Elmsleigh Centre WCs	0	0	-25,000	-25,000	-25,000	0	0	0	-25,000
Nick Cummings		Ashford Community Centre	0	0	3,500,000	3,500,000	3,500,000	0	0	0	3,500,000
Nick Cummings		Cedars Rec Toilet block	0	0	250,000	250,000	250,000	0	0	0	250,000
Nick Cummings		Greeno Rec	0	0	1,200,000	1,200,000	1,200,000	0	0	0	1,200,000
Nick Cummings		Manor Park Pavilion	0	0	750,000	750,000	750,000	0	0	0	750,000
Nick Cummings		Project A	0	0	20,000,000	20,000,000	20,000,000	0	0	0	20,000,000
Nick Cummings		Revelstoke	0	0	400,000	400,000	400,000	0	0	0	400,000
		Committee Total	-390,331	18,000,000	26,509,400	44,119,069	29,015,000	13,254,069	1,850,000	0	44,119,069
Neighbourhood Services											
Jackie Taylor		Car Park Management System update in Elmsleigh Surface+MSCP	0	0	250,000	250,000	250,000	0	0	0	250,000
Jackie Taylor		PCN/Permit/Season Ticket management and issuance management system	0	0	50,000	50,000	50,000	0	0	0	50,000
		Committee Total	0	0	300,000	300,000	300,000	0	0	0	300,000
Regulatory & Administration											
Nick Cummings	42,010	KG Car Park Improvements	-79,901	100,000	0	20,099	20,099	0	0	0	20,099
Jodie Hawkes	43,602	Centro Upgrade - Integra	0	30,000	0	30,000	30,000	0	0	0	30,000
Kamal Mehmood & Car	43,604	Leisure Board	0	15,000	0	15,000	15,000	0	0	0	15,000
Alistair Corkish	43,506	Scan Digital Rollout	0	20,000	0	20,000	20,000	0	0	0	20,000
Alistair Corkish	43,607	Recabling	0	200,000	0	200,000	200,000	0	0	0	200,000
Roy Tilbury	43,625	Customer Portal	0	8,000	0	8,000	8,000	0	0	0	8,000
Roy Tilbury	43,626	Customer Services Contact Cent	-5,538	40,000	0	34,462	34,462	0	0	0	34,462
Roy Tilbury	43,629	SharePoint Upgrade	35,000	35,000	0	70,000	70,000	0	0	0	70,000
Alistair Corkish	43,632	General ICT Equipment	-14,853	65,000	0	50,147	50,147	0	0	0	50,147
Alistair Corkish	43,635	Storage Area Network	0	250,000	0	250,000	250,000	0	0	0	250,000
		General Hardware, Software and									
Alistair Corkish		Mobiles/Tablets	0	0	50,000	50,000	50,000	0	0	0	50,000
Alistair Corkish		VDI Hosts	0	0	60,000	60,000	60,000	0	0	0	60,000
Alistair Corkish		Network Infrastructure	0	0	170,000	170,000	170,000	0	0	0	170,000
Sandy Muirhead	43,501	Forward Scanning	0	20,000	0	20,000	20,000	0	0	0	20,000
Sandy Muirhead	43,502	Digital Spelthorne	0	50,000	0	50,000	50,000	0	0	0	50,000
Sandy Muirhead	43,512	SharePoint redesign & Relaunch	0	155,000	0	155,000	155,000	0	0	0	155,000
Sandy Muirhead	43,515	Corporate EDMS Project	0	231,200	0	231,200	231,200	0	0	0	231,200
		Committee Total	-65,292	1,219,200	280,000	1,433,908	1,433,908	0	0	0	1,433,908
Total For Other			-27,290,160	269,247,700	62,224,275	304,181,815	66,048,283	100,964,186	81,557,973	57,981,373	306,551,815
Total Expenditure				269,247,700	63,417,075	305,374,615	67,241,083	101,936,986	82,530,773	58,954,173	310,663,015
Less Funding			0	-1,192,800	-1,192,800	-1,192,800	-972,800	-972,800	-972,800	-4,111,200	
NET Capital expenditure				269,247,700	62,224,275	304,181,815	66,048,283	100,964,186	81,557,973	57,981,373	306,551,815

Table 1: Prudential Indicators - Authorised limit and operational boundary for external debt

	2022/23	2023/24	2024/25	2025/26
	£m	Est. £m	Est. £m	Est. £m
Authorised borrowing limit	1,450	1,450	1,450	1,450
Operational boundary	1,350	1,350	1,350	1,350

Table 2: Estimates of financing costs to net revenue stream is a measure of the affordability of borrowing. The Council's financing costs relate substantially to borrowing when commercial property was acquired prior to March 2019. As the CIPFA TM Code notes, commercial investments are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. However, as commercial property was directly related to borrowing costs, Table 3 also shows the net income after costs and contributions to future costs. This illustrates the affordability of the commercial investments.

	2021/22	2022/23	2023/24	2024/25
Net Revenue Stream, £m	12.370	13.799	11.928	12.184
Financing costs, £m	35.927	35.911	36.245	36.687
Ratio	2.904	2.602	3.039	3.011

Table 3: Commercial income, related costs and net contributions to future costs

	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Commercial income *	(51.339)	(59.246)	(60.488)	(62.218)
Landlord costs *	0.000	9.214	10.241	5.883
Contribution to sinking funds	4.189	2.988	0.993	5.371
Financing costs	35.927	35.911	36.245	36.687
Net income after landlord & financing costs & net contributions to sinking fund	(11.223)	(11.133)	(13.009)	(14.277)

* From 2022/23, the income is shown gross, with landlord costs identified separately

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