

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

| ITEM | Yes / No | Date |
|---|--------------------|-----------------|
| Councillor engagement / input from Chair prior to briefing | | |
| Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc) | | |
| Relevant Group Head review | | |
| MAT+ review (to have been circulated at least 5 working days before Stage 2) | | |
| This item is on the Forward Plan for the relevant committee | | |
| | Reviewed by | |
| Risk comments | | |
| Legal comments | LH | 21/01/26 |
| HR comments (if applicable) | | |

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

| ITEM | Completed by | Date |
|---|---------------------|-----------------|
| Monitoring Officer commentary – at least 5 working days before MAT | L Heron | 21/01/26 |
| S151 Officer commentary – at least 5 working days before MAT | T.Collier | 19/1/25 |
| | | |
| Confirm final report cleared by MAT | | |

Business Infrastructure and Growth Committee

Date of meeting – 26 January 2026

| | |
|----------------------------------|---|
| Title | Business Infrastructure and Growth - Budget, and Fees and Charges for 2026/27 |
| Purpose of the report | To make a decision |
| Report Author | Altin Bozhani, Deputy Chief Finance Officer (Interim) |
| Ward(s) Affected | All Wards |
| Exempt | Report – no |
| Corporate Priority | Community Addressing Housing Need Resilience Service Delivery |
| Recommendations | 1. Review the draft detailed Capital Programme budget for 2026/27 for Corporate Policy and Resources Committee. |
| Reason for Recommendation | Councils have a statutory duty to balance their budgets. It is important that we take a medium-term approach in ensuring that we can take action sufficiently early to ensure the Council's Revenue Budget remains financially sustainable. |

1 Executive summary of the report

| What is the situation | Why we want to do something |
|--|--|
| <ul style="list-style-type: none">A robust revenue budget planning process helps organisations to manage their resources with economy, efficiency, and effectiveness | <ul style="list-style-type: none">To have a robust and sustainable 2026/27 budget that meets the needs of the service and provides a resilient financial position to the Council as a whole.Review the draft detailed Capital Programme budget for 2026/27 for Corporate Policy and Resources Committee.The 2026/27 Budget planning process commenced in June 2025 and must be completed and approved by Council in February 2026. |
| This is what we want to do about it | These are the next steps |

| | |
|---|---|
| <ul style="list-style-type: none"> Committee reviews and agrees revenue budget and fees & charges. | <ul style="list-style-type: none"> Approval of the Detailed Budget and preparation of the whole budget for Committee |
|---|---|

2 Key issues

- 2.1 This report seeks to present the Budget, Fees and Charges, and Capital for Business Infrastructure and Growth. The purpose is to give the Committee an early opportunity to comment and shape the budget before the 2026/27 budget is considered by the Corporate Policy and Resources Committee at its meeting on 17th February 2026 and Council on 26th February 2026.
- 2.2 The Council applied the following principles when preparing the annual budget:
- Aligned the budget with the Council's Corporate Plan and strategic priorities.
 - Undertaking financial planning a medium-term approach being mindful that the last Budget Spelthorne will set will be 2026/27, and giving consideration towards alignment with West Surrey councils
 - Give consideration to revenue and capital requirements.
 - Secure necessary savings, cost reductions, and increased income generation.
 - Maintain a sustainable financial position and avoid reliance on one-off measures.
 - Base all financial estimates on robust data and evidenced assumptions. Make use of benchmarking data and comparison, particularly with West Surrey councils
 - Approve unavoidable service pressure only in exceptional circumstances and on a case-by-case basis, ideally being managed by individual services from compensating savings.
 - Ensure all services demonstrate value for money and high productivity.
- 2.3 The Council's Medium-Term Financial Strategy (MTFS) faces significant cost pressures and adjustments. Pay costs are projected to rise by 4% in 2026/27, with an additional 0.2% retrospective adjustment for 2025/26, followed by estimated annual increases of 2.5% in years two and three of the planning period, placing sustained upward pressure on the staffing budget.
- 2.4 During the early stages of the budget-setting process, the early identification and assessment of both Revenue and Capital pressures were recognised and closely monitored. Services were reminded that the Council is legally required to set a balanced budget. All proposed revenue pressures must be fully offset by corresponding savings or spend-to-save initiatives. Where unavoidable pressures cannot be absorbed within existing budgets, clear justification and evidence of need must be provided.
- 2.5 Furthermore, services are advised that all capital growth bids must be realistic, preferably funded from sources other than borrowing, and deliverable, particularly for projects expected to extend beyond 1 April 2027, given the implications of the Surrey Local Government Reorganisation (LGR).
- 2.6 Detailed analysis are attached as Appendices A – E. The Committee has the opportunity to comment on any of the fees and charges, proposed savings and their revenue and capital budget for 2026/27.

Fees and Charges

- 2.7 A general uplift in discretionary fees and charges of 5% has been applied as the default, except where managers have undertaken benchmarking and provided a rationale for a different uplift, with figures rounded as per the direction from the Corporate Policy and Resources. The fees and charges for the Business Infrastructure and Growth service area remain broadly stable over the three-year period, with total income moving only slightly from £204,400 in 2025/26 to £204,600 by 2026/27. The main change relates to Property Fees, which increase from £4,400 in 2025/26 to £4,600 in 2026/27, reflecting a return to typical activity levels and a modest inflationary adjustment.
- 2.8 Staines Market income remains steady, with income of £202,628 in 2024/25 compared with a consistent budget of £200,000 for the following two years. Market stall fees and charges are proposed to remain the same. Benchmarking with other authorities has shown Spelthorne is one of the more expensive for market stalls. To retain the market traders, it is proposed the fees are to be frozen for 2026/27, with a view of the importance of retaining these traders for Staines High Street's local economy.
- 2.9 In light of the forthcoming Local Government Reorganisation (LGR) and the creation of the new West Surrey Council, the Council is committed to reviewing and aligning its fees and charge's structure to ensure consistency and fairness across the region, and to contribute towards closing the Spelthorne Budget gap. As part of this process, the Council will work closely with neighbouring authorities to identify opportunities for harmonisation, undertaking benchmarking comparisons, ensuring that services are delivered efficiently while providing value to residents and businesses. This will include assessing current fee levels and structures, with a focus on streamlining and aligning charges where appropriate, to support the smooth transition to the new council and to enhance the overall service delivery across the new administrative boundaries.

Unavoidable Expenditure Pressure and Savings Bids

- 2.10 The Business Infrastructure and Growth Committee Revenue budget shows a net decrease of £149,000, reflecting a combination of service reprioritisation, staffing changes, inflationary pressures and asset-related cost movements. Staffing-related costs across this service also increase, notably superannuation reflecting pension rate changes rather than headcount growth. Full details of budget movements and explanations are provided in Appendix E.
- 2.11 Across property and asset-related services, movements largely reflect asset rationalisation, void management and income changes. Cost pressures include £30,000 for security at Ashford Hospital (Victory Place), £23,300 at the Oast House driven by new Council Tax liabilities on a void residential unit and pest control costs, and £15,000 in business rates within General Property Expenses linked to the vacant old Staines Library site. These pressures are more than offset by increased income, particularly within General Property Expenses, where net income improves by £50,700 due to municipal rent increases and additional income from Knowle Green Nursery, and Elmsleigh Centre, which delivers an additional £11,900 in ground rent income.
- 2.12 Within Economic Development and support services, the overall position shows a net reduction driven by staffing savings and service reconfiguration, despite

targeted investment. Economic Development budgets fall by £86,000, largely due to the deletion of two posts, reductions in activity budgets, although this is partly offset by increased marketing and subscription spend to support business engagement. Conversely, growth areas include Staines BID (£47,600) for one-off BID ballot and Ashford BID project costs, and the Spelthorne Youth Hub (£49,500), reflecting higher consultant costs and the cessation of one-off grant funding. The net expenditure from the Youth Hub and Incubator will be funded from the Business Rates (National NonDomestic Rates-NNDR) retention reserve. Asset Management and Facilities Management both deliver net savings (£40,200 and £13,500 respectively), primarily from staffing restructures, despite increases in pension costs and software licensing, demonstrating continued focus on longer-term efficiency while maintaining core service delivery.

- 2.13 The Planned Maintenance budget has seen a net decrease from £1.4m to £1.3m. This reflects savings put forward to reduce the programmed and responsive maintenance budgets by £100k each. The savings have been partially offset by a movement from Sunbury Leisure Centre's maintenance budget, as this is managed by the assets team.
- 2.14 Overall, based on pension contribution advice from the Surrey Pension Fund actuaries, combined employer contribution rates for 2026/27 to 2028/29 are expected to decrease from 24.6% to 23.1%. This reduction will generate an estimated overall Council budget saving of approximately £0.5 million. Prior to 2026-27 there were two elements making up the employer pension contribution, with a current service contribution charged as a percentage to individual services and a past service contribution charged as a lump sum to unallocated expenses within the Corporate Policy and Resources Committee". From 2026-27 the Pension Fund is combining these two elements into a single percentage charge which have been reflected against individual service budgets, this has the effect of pushing up individual services superannuation budgets, although the overall pension cost to the Council is actually reducing.

Capital Programme

- 2.15 The proposed Capital Programme budget for this Committee for 2026/27 is £356k. This relates to two projects. £100k for Kingston Road site demolition and £256k for lift replacements at the Elmsleigh Shopping Centre.
- 2.16 No borrowing will be required to finance these projects, with the funding being met from earmarked reserves (£100k) and (£256k) of direct revenue contributions.

3 Options appraisal and proposal

- 3.1 The Committee has the opportunity to comment on any of the fees and charges, savings, or growth items.
- 3.2 In the context of the Council's medium-term financial planning and the continuing pressures on local government funding, it is anticipated that further work will be required to identify opportunities for achieving additional savings in future years.

4 Risk implications

- 4.1 When considering savings proposals, we need to consider the risk of any adverse impact on service delivery capacity including
- Service disruption and reduced capacity and potential backlogs in statutory and frontline services.
 - Loss of critical knowledge and experience due to departing staff with service expertise, and local knowledge
 - Increased pressure on remaining staff due to higher workloads
 - Reduced resilience and lack of adequate staff cover
 - Inability to meet statutory and regulatory requirements due to skills gaps and insufficient capacity.
 - Higher reliance on agency/interim staff, leading to increased costs, reduced continuity, and potential inconsistency in service delivery or decision-making.
 - Delays or failure to deliver key projects and transformation programmes
 - Difficulty attracting skilled candidates within the competitive labour markets, pay constraints, or location challenges.
 - Risk that savings are not fully achieved in year, particularly in context of additional resource pressure of local government organisation.

5 Financial implications

- 5.1 The draft Budget for 2026/27 proposes a net decrease of £149,000 in Business Infrastructure Committee service expenditure compared to 2025/26, taking the total budget to £2.36m. Cost pressures arising from, security requirements at vacant and redevelopment sites, inflationary uplifts and increased pension contributions are largely mitigated through staffing restructures, service rationalisation, asset income growth and identified savings across facilities, planned maintenance and support services. Where unavoidable growth has been identified, including within Economic Development initiatives, the Youth Hub and BID-related activity, this is either one-off in nature or funded from the NNDR retention reserve, ensuring the overall budget position remains balanced and affordable within the Council's medium-term financial strategy.

6 Legal comments

- 6.1 The Council has a statutory duty to set a balanced budget each financial year. In preparing budget proposals, each Committee must give regard and comply with the requirements of all applicable legislation, including (but not limited to) making arrangements for proper administration of financial affairs, securing best value and Public Sector Equality Duty.
- 6.2 This report will assist the Council to fulfil its statutory obligations to produce a balanced budget.
- 6.3 The Council has a variety of powers to charge for specific statutory services, and a general power under the Local Government Act 2003 to charge for discretionary services on a cost recovery basis.

6.4 Where spending decisions are taken about the budget that will impact the services which can be delivered, an appropriate and proportionate equalities impact assessment must be carried out.

6.5 All capital projects require input and support from Legal Services.

Corporate implications

7 S151 Officer comments.

7.1 The S151 confirms that relevant financial considerations have been taken into account.

8 Monitoring Officer comments.

8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

9 Procurement comments

9.1 None arising directly from this report.

10 Equality and Diversity

10.1 Equality, diversity, and inclusion (EDI) are central to everything that the Council does and has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity

11 Sustainability/Climate Change Implications

11.1 Not applicable.

12 Other considerations

12.1 Changes to parking fees are implemented by way of an amendment to the current parking order, the process includes the need to carry out a public consultation exercise before reporting back to committee. In setting charges, we are required to have regard to the need to cover the costs of providing the service.

13 Timetable for implementation.

13.1 February 17th Corporate Policy and Resources agrees final Detailed Revenue Budget and Capital Programme for recommendation to Council

13.2 26th February Council sets overall Budget

14 Contact

14.1 Altin Bozhani, Deputy Chief Finance Officer (Interim) –
A.Bozhani@spelthorne.gov.uk.

15 Background papers:

15.1 None

16 Appendices:

- Appendix A - Draft Detailed Budget 2026/27 - Business Infrastructure and Growth Committee
- Appendix B - Net Expenditure Budget 2026/27 by Type - Business Infrastructure and Growth
- Appendix C – Fees and Charges - Business Infrastructure and Growth Committee
- Appendix D – BIG Capital Budget 2025.26 – 2028.29
- Appendix E - BIG - Draft Net Expenditure by Service