



Minutes

of an informal meeting of Cabinet members

held on Friday 17 December 2021 at 9.30 am
This was a virtual, online meeting.

Open to the public, including the press

Remote attendance:

Councillors: David Rouane (Chair), Maggie Filipova-Rivers (Vice-Chair), Pieter-Paul Barker, Robin Bennett, Sue Cooper, Andrea Powell, Leigh Rawlins and Anne-Marie Simpson

Officers: Patrick Arran, Steve Culliford, Liz Hayden, Simon Hewings, Jeremy Lloyd, Candida McKelvey and Mark Stone

67 Declaration of disclosable pecuniary interest

None

68 Urgent business and chair's announcements

None

69 Public participation

None

70 Budget monitoring 2021/22

Cabinet members received the head of finance's report on the 2021/22 budget position as at 30 September 2021. This showed a forecasted revenue underspend for the financial year of just under £3.5 million, of which £2.8 million was likely to be carried forwards, leaving £0.7 million overall savings at the year end. Of the £4 million capital programme, £1.1 million had been spent.

RESOLVED: to note the head of finance's budget monitoring report to Cabinet on 17 December 2021.

71 Budget 2022/23

Cabinet members received the head of finance's report. This informed members of progress made in preparing the revenue budget for 2022/23 and the capital programme for 2022/23 to 2026/27. The report also set out the funding issues that would need to be considered when Cabinet made its budget proposals to Council in February 2022.

The Cabinet member for finance reminded councillors of the budget set in 2021/22, which required unsustainable use of reserves during the five-year medium term financial plan period. This unsustainability had resulted from previous decisions taken to keep the council's council tax low. Under government legislation, the council could not increase its council tax sufficiently to balance its medium term financial plan. Also, the council had not benefitted under the government's business rates retention scheme. The new homes bonus scheme, from which the council had benefitted, was expected to be less generous, which would materially affect the council's budget in the future. The unsustainable use of reserves had also eroded the council's ability to raise more investment income.

The Cabinet member reported that the government's settlement to the council was not materially different to the figures stated in the report; the settlement figure had increased by £39,000 since the report had been published. However, it was a one-year only settlement, with future years' funding unknown. This made it difficult to predict the council's financial position over the five-year medium term financial plan.

Officers had reviewed the base budget requirement to reduce the net expenditure budget for 2022/23, whilst maintaining service levels and complying with the council's policies. The review had resulted in the base budget for 2022/23 being over £2 million less than predicted in the previous medium term financial plan. However, over the course of the new five-year medium term financial plan, the council would still have to draw upon its reserves to balance the budget but it was in a more sustainable position following the base budget review. Further to the head of finance's report setting out the base budget position, Cabinet would need to consider any growth or further savings proposals before its meeting on 3 February 2022, when it would need to recommend the budget to Council for adoption.

Cabinet members noted that the council's external auditors, EY, and the Chartered Institute of Public Finance and Accountancy (CIPFA) were both supportive and content with the council's approach to the 2022/23 budget and the council had engaged with them to ensure its approach was best practice.

Cabinet members welcomed the report and the revenue base budget review. However, members were disappointed that the council was unable to raise its council tax further, noting that the district element of the council tax was likely to be below the level of precept levied by some of the larger towns in the district.

In answer to a question regarding the proposed 1.9 per cent increase in salaries, members noted that the management team was in ongoing negotiation with the union on this. Although inflation was currently at a higher level, it was expected to reduce shortly. It was also noted with disappointment that the increase in the council's National Insurance liability was not being funded separately.

Cabinet members thanked officers for the report and were pleased to see that the of the council's property review had brought increased income from property. Also, members were pleased that officers had unblocked infrastructure funding.

RESOLVED: to note the head of finance's report to Cabinet on 17 December 2021.

The meeting closed at 10.00 am