
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 20 DECEMBER 2021

EX.153/21 BUDGET UPDATE - REVENUE ESTIMATES 2022/23 TO 2026/27

(Key Decision KD.10/21)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

Pursuant to Minute EX.128/21, the Finance, Governance and Resources Portfolio Holder submitted report RD.52/21 providing an update to the Corporate Director of Finance and Resources' report to the Executive of 22 November 2021 (RD.46/2).

Summarised within the report were the revised revenue base estimates for 2021/22, together with the base estimates for 2022/23 and forecasts up to 2026/27 for illustrative purposes.

The report drew Members' attention to the fact that a number of significant factors affecting the budget were currently unresolved. In particular, the following were key to the budget process and details thereon would be considered as the budget progressed.

- Ongoing impact of COVID-19
- Local Government Finance Settlement – announcement due by December 2021
- Further expected changes in government grant e.g. New Homes Bonus, Housing Benefit Administration Grant
- Future borrowing requirements
- Commercial and investment opportunities
- Local Government Reorganisation

Set out at Section 3 was an overview of the outstanding key issues and resource assumptions, with details of the potential new spending pressures/bids that needed to be considered also provided at Section 4.

The Council's current levels of balances set out at Appendix A included any impact of the proposed pressures and savings outlined in the report. The Projects Reserve would be used as a first call for any projected revenue budget deficit however, maintaining the current level of reserves was dependent upon the achievement of the transformation savings. A risk-based review of reserve levels had been undertaken and showed that the minimum level of General Fund Reserves should remain at £3.1million due to uncertainties around future funding from Business Rates; however that would be reviewed during the budget process.

The Finance, Governance and Resources Portfolio Holder concluded by moving the recommendations as detailed within the report. The Leader seconded them.

Summary of options rejected none

DECISION

That the Executive:

- (i) noted the revised base estimates for 2021/22 and base estimates for 2022/23;
- (ii) noted that the estimates in the report were draft and would be subject to the confirmation of Local Government Finance Settlement due in December 2021;
- (iii) noted the current MTFP projections, which would continue to be updated throughout the budget process as key issues become clearer and decisions were taken;
- (iv) noted the budget pressures, bids and savings which needed to be taken into account as part of the 2022/23 budget process;
- (v) Approved the release of amounts from the Operational Risk Reserve for Treasury Management (£600,000) and Covid costs (£500,000) as outlined in paragraph 5.2 of report RD.52/21
- (vi) notes the Statutory Report of the S.151 Officer outlining the risks associated with the draft budget figures and that minimum reserves may need to be reviewed in the future depending upon the outcome of the Local Government Finance review.

Reasons for Decision

To ensure that a balanced budget is set.