



COUNCIL - THURSDAY, 15 DECEMBER 2022

Late Item

- 8. BUDGET PRINCIPLES**(Pages 3 - 6)
To receive a presentation by the Executive Councillor for Finance and Resources on Budget Principles for the 2023/24 Budget.

***[Presentation 10 Minutes
Questions 10 Minutes]***

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Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Budget Principles

Meeting/Date: Council – 15th December 2022
Executive Portfolio: Cllr Brett Mickelburgh (Finance and Corporate Resources)

Report by: Karen Sutton (Director of Finance and Corporate Resources)

Ward(s) affected: All

Executive Summary:

The Joint Administration is setting out the budget principles it will use in formulating the detailed budget that will come to scrutiny in early February.

Council will wish to note that we do not have the final details from central Government of the settlement and this is not now expected until the end of December.

As the Joint Administration is committed to meaningful engagement with our residents and elected members these budget principles, together with the resident survey, enables discussion earlier in the cycle than otherwise possible.

RECOMMENDED

Council consider the findings of the resident engagement survey and endorses the principles set out in this report to be used to shape the budget for 2023/24.

1. PURPOSE OF THE REPORT

- 1.1 This report frames the principles by which the 2023/24 budget and forward MTFS [medium term financial strategy] will be prepared.

2. BACKGROUND

- 2.1. Council will be aware that we are required to present a level of confidence that a balanced budget can be delivered over the period of the MTFS.
- 2.2. Last year's budget report stated that key savings, efficiencies and increased income streams will need to be delivered during the MTFS period. The MTFS also illustrated a plan for the next five years utilising £8.1 million of our savings [reserves] to set a balanced budget.
- 2.3. The financial situation that exists now is very different to the situation this time last year and very different from pre-pandemic, exacerbated by the market volatility encountered at points through the year.
- 2.4. The demand for council services is increasing and is anticipated to continue to rise.
- 2.5. It is anticipated that the level of money coming into the Council from Central Government will continue to decline.
- 2.6. There is an active risk that the commercial income that is linked to the commercial property portfolio as well as other fees and charges will be impacted by the 18 month recession predicted by the Bank of England.

3. BUDGET PRINCIPLES

- 3.1. The following principles are offered to guide the budget preparations:
 1. We will seek to protect the front line services our residents rely on in these difficult times.
 2. We will enact the changes required to avoid using £8.1 million of reserves envisaged in the 2022 MTFS while remaining prepared to use savings to protect services in the short term if required
 3. We will balance the need for fees, charges and commercial revenues with the demands on our services and our community's ability to pay for and use them
 4. We will maximise innovation opportunities to pursue further efficiencies in running the council, but we will balance this with any need to increase council tax to ensure we have adequately resourced services and seek to appropriately reward staff
 5. We will pause commercial property investment activity whilst market instability continues but we will keep all investment options under review
 6. We will consider carefully the things that our communities tell us are important in setting out our budget and future spending proposals.

3. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 3.1. The full details of the residents' survey will be presented to all councillors and displayed on the Council's website following the Council meeting. The formal budget proposals will then be released into the February cycle of Overview and Scrutiny meetings, then on to Cabinet and arriving at Council on 22nd February 2023. The new Corporate Plan will then follow into the March 2023 cycle of meetings to complete the review of core business documents, so that operational service plans can be aligned in advance of the new financial year in April 2023.

4. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 4.1. The establishment of a budget aligned to Council priorities allows the delivery of the Corporate Plan.

5. ENGAGEMENT

- 5.1. Resident engagement took place in November 2022.

6. ENVIRONMENT AND CLIMATE CHANGE IMPLICATIONS

- 6.1. There are no specific implications arising from this report.

7. OTHER IMPLICATIONS

- 7.1. There are no specific implications arising from this report.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1. The principles establish the framework within which the joint administration will prepare a budget for 2023/24.

9. BACKGROUND PAPERS

Outcome of resident engagement (November 2022)

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