

**Public**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Final 2022/23 Revenue Budget & Medium Term Financial Strategy (2023/24 to 2026/27)

**Meeting/Date:** Council – 23 February 2022

**Executive Portfolio:** Strategic Finance: Councillor J A Gray

**Report by:** Chief Financial Officer

**Ward(s) affected:** All

---

### **Executive Summary:**

The Council is required to consider and approve:

- The 2022/23 Budget and the Medium Term Financial Strategy (MTFS) for the period 2023/24 to 2026/27.
- The Fees and Charges schedule for 2022/23.
- The Treasury Management Strategy, the Capital Strategy, and the Investment Strategy including the annual prudential indicators, for 2022/23.
- The Annual Minimum Revenue Provision (MRP) Statement 2022/23.
- The formal resolution to determine the Council Tax for 2022/23.

### **Recommendation(s):**

The Council is RECOMMENDED to approve

- Overall Budget 2022/23 and MTFS 2023/24 to 2026/27, and **Appendix 1 includes the Revenue Budgets at Section 2; the Capital Programme at Section 3 and the 2022/23 Fees and Charges at Section 7, Annex A.**
- Increase of 3.43% Council Tax for 2022/23 i.e. the Band D charge will increase to £150.86 (£145.86 2021/22), and **Appendix 1, the formal resolution on the Council Tax, Section 6, Item (a) to (e).**
- Future savings targets of £1.8m of Net Expenditure by 2026/27, and **Appendix 2, Revised Plan on a Page.**
- 2022/23 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy. **Appendix 3.**

## 1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report are to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the 2022/23 Budget, the Medium Term Financial Strategy (MTFS), the Treasury Management, Capital and Investment Strategies, MRP Statement and Use of Capital Receipts Strategy and other associated matters and seek Council's formal determination of the Council Tax for 2022/23.

## 2. BACKGROUND

- 2.1 During February 2022, the Overview and Scrutiny (Performance & Growth) Panel and Cabinet received the final budget proposals that:

- 2.1.1 detailed the savings and growth proposals for 2022/23 and the MTFS (2023/24 to 2026/27),
- 2.1.2 proposed a Council Tax increase of 3.43% in 2022/23 and £5 annual increase for the duration of the MTFS,
- 2.1.3 presented the Final capital Programme 2022/23 to 2026/27, and,
- 2.1.4 presented the 2022/23 Budget and MTFS (2023/24 to 2026/27).

- 2.2 Since 2015/16 the Council has adopted a strategy known as 'Plan on a Page' which sets out the Council's financial strategy. The Council continues to face challenges over the medium term in its obligations to provide cost effective services. The updated Plan on a Page at **Appendix 2** shows that the Budget gap is now £1.8m by 2026/27.

## 3. ANALYSIS

- 3.1 The detailed 2022/23 Budget & MTFS (2022/23 to 2025/26) is shown in **Appendix 1**. The key elements that members should note are as follows:

- 3.1.1 Paragraph 1.3.1 of Appendix 1 shows:
  - 3.1.1.1 Net expenditure for the Council is £21.51 m.
  - 3.1.1.2 The budget requirement for the Council is £21.76m.
  - 3.1.1.3 A budgeted contribution to reserves of £250k.
  - 3.1.1.4 Council Tax requirement for the Council is £9.7m.
  - 3.1.1.5 Council Tax base is 64,501 (analysed paragraph 6.2)
  - 3.1.1.6 Council Tax per band D property is £150.86.
  - 3.1.1.7 Council Tax increase of 3.43% equating to £5 for 2022/23.
- 3.1.2 Paragraph 1.4.1 of Appendix 1 shows that the estimated General Fund reserves on 31 March 2023 will be £2.175m.
- 3.1.3 Paragraph 2.1 shows the overall spend and income by subjective analysis (i.e. employees, buildings etc.) for all Council services; with Paragraph 2.2 showing, for each service, the spend and income by subjective analysis.

- 3.1.4 Paragraph 3.1 details the proposed Capital Programme for 2022/23 at £5.4m and the details for the period 2023/24 to 2026/27.
- 3.1.5 Paragraphs 4.0 and 5.0 indicate the main budgetary issues relating to Treasury Management and the Capital Financing Requirement (CFR). The CFR is reducing from an opening balance of £76.6m in 2022/23 to a closing balance of £71.0m in 2026/27 as a result of MRP that is being set aside and takes into account the future financing for the CIS and the Capital Programme.
- 3.1.6 Paragraph 6.1 is the Formal 2022/23 Council Tax Resolution, and Paragraph 6.2 illustrates the Council Tax Base. Paragraphs 6.3 and 6.4 will show the:
  - 3.1.6.1 2022/23 Council Tax by Property Band for each Precepting Authority, and the Billing Authority, and the
  - 3.1.6.2 Total 2022/23 Council Tax by Property Band for each Precepting Authority and the Billing Authority.

The Resolution and accompanying tables assume that the Council will support the proposals in the Budget report for Huntingdonshire District Councils' Council Tax for 2022/23.

- 3.1.7 Paragraph 7.0 and Annex A details the Fees and Charges Schedule for 2022/23. Where the Council has discretion to increase fees and charges, and it has been considered appropriate to do so, relevant fees and charges have been increased. Members should note that some fees and charges will be increased during the financial year.
- 3.1.8 Paragraph 8.0 is the statutory Robustness Report required by the Responsible Financial Officer (Section 151 officer). In summary, the budget proposed for 2022/23 should not give Members any significant concerns over the Council's financial position. In respect of the MTFs 2023/24 to 2026/27; there will inevitably be an increased funding risk to the provision of services due to the pressures on central Government resources in recovering from the Covid 19 Pandemic and other economic influences. However, as the Council continually reviews and manages budgets, it is fair to conclude that the Council is taking proactive action to manage its budgetary position.
- 3.1.9 Treasury Management, Capital and Investment Strategies, the Annual Minimum Revenue Provision Statement, and the Flexible Use of Capital Receipts Strategy for 2021/22 are summarised and detailed in Appendix 3.

#### **4. COMMENTS OF OVERVIEW & SCRUTINY**

- 4.1 The Panel discussed the Final 2022/23 Revenue Budget and Medium-Term Financial Strategy (2023/24 to 2026/27); including the Capital Programme at its meeting on 2nd February 2022.
- 4.2 Following a question from Councillor Chapman, the Panel heard that the New Homes Bonus was as a result of an annual report being submitted rather than a trigger point to achieve.
- 4.3 Councillor Chapman additionally commented that detail in relation to projects would be helpful in enabling the Panel to make informed observations and discussions. Historically commercial sensitivity had been cited as a reason for less detailed information than desired. This point was noted.
- 4.4 The report was praised by Councillor Roberts, who felt that the emphasis was just right. He also observed that with a strong local economy and a plethora of new business creation within the district, would there be any scope to be more optimistic in the figures. The Panel heard that whilst inspiration could be drawn from the inspirational local businesses and their creative ways of working, the budget has been set with realistic aims in mind.
- 4.5 Councillor Roberts additionally queried the consistency of the amends made to the pre application fees in Annex A. The finance team will investigate this question and respond to the Panel at a later date.
- 4.6 The proposed increase in Council Tax was queried by Councillor Wakeford, who also questioned the rationale for not having done so in the previous financial year and how this had impacted upon the current finances. The Panel heard that last years Council Tax freeze was the right thing to do for the residents of Huntingdonshire and the importance of striking a balance between spend and funds raised was emphasised. Councillor Wakeford was satisfied that this increase had been included into the budget across the medium term period, however he questioned the stability for the remaining years of the medium term and particularly what position could be expected in the next financial year. The Panel were reassured that the facts had been presented to allow for informed debate and that the budget was as conservative and realistic as possible to allow for strong progress in the coming municipal year.
- 4.7 Councillor Dew observed that the New Homes Bonus had been utilised to good effect over past years, and that having expressed initial doubts over the Commercial Investment Strategy (CIS), this had been well implemented to the benefit of the Council. He queried whether there had been any indication on the future travel of funding and the Panel were informed that advice had been taken from Pixar to allow for the most accurate estimate in this matter.
- 4.8 In response to questions from Councillor Shellens and amiable debate, it was confirmed that the underspend had had a positive impact on the

reserves. The Panel also heard that since 2014, the New Homes Bonus had been used in line with the CIS projects, however given the economic climate in the current financial year, it had been returned to the budget to strengthen the Council's financial position.

- 4.9 Councillor Shellens further questioned the substantial degree of risk associated with income forecast from traded services. The Panel were reassured that the legacy commercial estate held by the Council had formed the development of the CIS. Complete transparency is given through CIS reporting and this strategy has brought much needed income into the Council's budget. It was also noted that CIS acquisitions are currently at 97% occupancy.
- 4.10 Following a question from Councillor Sanderson, the Panel heard that leisure centre figures showed the predicted return of customers to centres but that these were also realistic numbers. It was further confirmed that leisure services had undergone additional scrutiny and work had been undertaken to restructure leisure costs. It was noted that the Panel would like to see a breakdown of costs by centre in the future.
- 4.11 The Panel welcomed the report and encourage the Cabinet to endorse the recommendations contained within the report.

## **5. KEY IMPACTS / RISKS**

- 5.1 The delivery of the 2022/23 budget will be managed via the Council's budget monitoring processes throughout the year.
- 5.2 Throughout, the MTFS 2023/24 to 2026/27, there are a number of key savings initiatives or additional income generation schemes that must be delivered in a timely fashion to secure savings required to ensure that the Council has a balanced budget.

## **6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 6.1 The 2022/23 Budget forms an integral part of the service planning process for 2022/23. Consequently, actions and timescales required to ensure savings are achieved and service spending is in line with the approved budget will be contained within the final service plans and monitored through normal processes.

## **7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

- 7.1 The budget is the financial interpretation of the Council's strategic and operational priorities that are included within the Corporate Plan.

## **8. CONSULTATION**

- 8.1 Internal Consultation. Over the Summer and Autumn of 2021 senior officers, along with their respective Executive Councillors undertook a

review of their budgets, including the development of savings and investment proposals; all of which were then reviewed by all Executive Councillors during November and December 2021 into early January 2022.

## **9. LEGAL IMPLICATIONS**

- 9.1 As per Sections 31A and 42A of the Local Government Finance Act 1992, the Council is required to set a balanced budget. This is achieved for 2022/23 so the setting of the Council Tax at the level mentioned within the report is appropriate.

## **10. RESOURCE IMPLICATIONS**

- 10.1 The Council is required to set a balanced budget for 2022/23 and over the MTFS. Appendix 1 includes a report from the Chief Finance Officer (as the Responsible Financial Officer) confirming that he considers the budget is sufficiently robust and that there are adequate reserves.

## **11. REASONS FOR THE RECOMMENDED DECISIONS**

- 11.1 To enable members of the Council to consider:
- 11.1.1 the 2022/23 Budget and for the Council Tax to be set, and
  - 11.1.2 the implications for the Council in respect of the MTFS for the period 2023/24 to 2026/27.

## **12. LIST OF APPENDICES INCLUDED**

Appendix 1 – 2022/23 Budget & Medium Term Financial Strategy 2023/24 to 2026/27

Appendix 2 – Plan on a Page

Appendix 3 – 2022/23 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy

Annex A – Fees and Charges

## **13. BACKGROUND PAPERS**

None

## **CONTACT OFFICER**

Eric Symons, Chief Financial Officer  
[eric.symons@huntingdonshire.gov.uk](mailto:eric.symons@huntingdonshire.gov.uk)