

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Final 2023/24 Revenue Budget & Medium-Term Financial Strategy (2024/25 to 2027/28)

Meeting/Date: Council – 22 February 2023

Executive Portfolio: Finance & Resources: Councillor B Mickleburgh

Report by: Director of Finance & Resources (S151)

Ward(s) affected: All

Executive Summary:

The Council is required to consider and approve:

- The 2023/24 Budget and the Medium-Term Financial Strategy (MTFS) for the period 2024/25 to 2027/28.
- The Fees and Charges schedule for 2023/24.
- The Treasury Management Strategy, the Capital Strategy and the Investment Strategy, including the annual prudential indicators, for 2023/24.
- The annual Minimum Revenue Provision (MRP) Statement 2023/24.
- The formal resolution to determine the Council Tax for 2023/24.

Recommendation(s):

The Council is RECOMMENDED to approve

- Overall Budget 2023/24 and MTFS 2024/25 to 2027/28; and **Appendix 1 includes the Revenue Budgets at Section 2; the Capital Programme at Section 3; and the 2023/24 Fees and Charges at Section 7, Annex A.**
- Increase of 3.31% Council Tax for 2023/24 i.e., the Band D charge will increase to £155.86 (£150.86 2022/23); and **Appendix 1, the formal resolution on the Council Tax, Section 6, Item (a) to (e).**
- 2023/24 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy. **Appendix 2.**

1. PURPOSE OF THE REPORT

- 1.1 The purposes of this report are to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the 2023/24 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 2023/24.

2. BACKGROUND

- 2.1 During February 2023, 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 2023/24 and the MTFS (2024/25 to 2027/28);
 - 2.1.2 proposed a Council Tax increase of 3.31% in 2023/24 and £5 annual increase for the duration of the MTFS;
 - 2.1.3 presented the Final Capital Programme 2023/24 to 2027/28; and
 - 2.1.4 presented the 2023/24 Budget and MTFS (2024/25 to 2027/28).

3. ANALYSIS

- 3.1 The detailed 2023/24 Budget & MTFS (2024/25 to 2027/28) 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 £24.113 m.
 - 3.1.1.2 The budget requirement for the Council is £24.299.
 - 3.1.1.3 A budgeted contribution to reserves of £0.187m.
 - 3.1.1.4 Council Tax requirement for the Council is £10.255m.
 - 3.1.1.5 Council Tax base is 65,795 (analysed paragraph 6.2)
 - 3.1.1.6 Council Tax per band D property is £155.86.
 - 3.1.1.7 Council Tax increase of 3.31% equating to £5 for 2023/24.
 - 3.1.2 Paragraph 1.4.1 of Appendix 1 shows that the estimated General Fund reserves on 31 March 2024 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, and Paragraph 2.3 showing, for each Portfolio, the spend and income by subjective analysis.

- 3.1.4 Paragraph 3.1 details the proposed Capital Programme for 2023/24 at £29.392m and the details for the period 2024/25 to 2027/28.
- 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 £71.592m in 2023/24 to a closing balance of £69.829m in 2027/28 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 2023/24 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 2023/24 Council Tax by Property Band for each Precepting Authority, and the Billing Authority, and the
 - 3.1.6.2 Total 2023/24 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 Council's Council Tax for 2023/24.

- 3.1.7 Paragraph 7.0 and Annex A details the Fees and Charges Schedule for 2023/24. 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 2023/24 should not give Members any significant concerns over the Council's financial position. In respect of the MTFS 2024/25 to 2027/28; there will inevitably be an increased funding risk to the provision of services due to the pressures on central Government resources 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 2023/24 are summarised and detailed in Appendix 2.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The Panel discussed the Final 2023/24 Budget and Medium-term Financial Strategy (2024/25 to 2027/28) including Capital Programme at its meeting on 1st February 2023.
- 4.2 Councillor Harvey expressed praise for the report and thanked those involved in producing the budget for an excellent piece of work, a sentiment which was shared by the Panel.
- 4.3 Following a question from Councillor Harvey, the Panel heard that a planned temporary increase for Planning staff was included in the 2023/24 budget as an investment to help get the service back on track. It was further advised that once the service position was improved it would be in a position to generate some income for the Council through fees and charges.
- 4.4 Councillor Cawley asked for some clarification on this as the Fees and Charges document showed a planned decrease in Planning income, the Panel heard that there were recognised issues with recruitment and retention within Planning which were improving, but the forecasts were intended to not overestimate the potential income.
- 4.5 Following a question from Councillor Wells on the Community and Health line in Table 4b being significantly lower in 2023/24 than currently and also lower than subsequent years, the Panel were advised that the Officer would investigate the detail and report back to the Panel following the meeting.
- 4.6 Councillor Harvey asked for clarification on the damping adjustment in Table 2 and the Panel heard that this was linked to the re-baselining of the NNDR funding, the damping adjustments smooth the impact of this.
- 4.7 After a question from Councillor Pickering, the Panel heard that the agreed Council Principles underpinned and influenced the thinking and method when developing and setting the budget.
- 4.8 Councillor Gray commented that the purpose of the Panel was to scrutinise the report and to give Cabinet comments and thoughts to reflect upon rather than have a debate on the budget. He;
- reflected on unprecedented increase in government funding from the previous year, which was good news for residents, whilst also allowing Council some flexibility on how that money be spent.
 - further expressed caution over the ambition to drive net expenditure down, observing that whilst inflation is predicted to fall it has not yet happened, in particular whether the expected salaries in Table 7 were realistic whilst maintaining the current staffing levels.
 - did not dispute the removal of the Huntingdon redevelopment project from the Capital budget but did enquire how realistic it remained to deliver the anticipated projects within the budgeted staffing costs.

- challenged that the Fees and Charges in Appendix 2 did not match the rhetoric of keeping up with inflation or in line with neighbouring Councils, it was observed that this could be an area to develop.

4.9 Councillor Conboy thanked the Panel for their positive and constructive comments and commented that the opportunity to work with the shadow portfolio holder Councillor Jennings was a positive step forward.

4.10 Following the discussion, the Panel were informed that their comments would be added to the Cabinet report in order for the Cabinet to make a decision on the recommendations.

5. KEY IMPACTS / RISKS

5.1 The delivery of the 2023/24 budget will be managed via the Council's budget monitoring processes throughout the year.

5.2 Throughout the MTFS 2024/25 to 2027/28 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 2023/24 Budget forms an integral part of the service planning process for 2023/24. 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. All Budget Managers within the Council undertook a review of their service budgets during Autumn 2022. This included a review of staffing, fees and income, costs of delivery and all savings or development proposals. The outcome of this was evaluated by the Senior Leadership Team and Executive Councillors prior to the submission to the Overview & Scrutiny Committee.

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 2023/24 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 2023/24 and over the MTFS. Appendix 1 includes a report from the Chief Finance Officer (as the Responsible Financial Officer) confirming that she 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 2023/24 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 2024/25 to 2027/28.

12. LIST OF APPENDICES INCLUDED

Appendix 1	2023/24 Budget & Medium-Term Financial Strategy 2024/25 to 2027/28
Appendix 2	2023/24 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy
Annex A	Fees and Charges

13. BACKGROUND PAPERS

None

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