

**7a REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 15 DECEMBER 2021
– DRAFT BUDGET 2022/23**

RECOMMENDED TO CABINET:

- (1) That Cabinet note the latest funding forecasts for 2022/23 and the significant uncertainty around inflation and Central Government funding, and that these estimates provided could be subject to significant change.
- (2) That cabinet note the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the budget to be brought back for consideration in January, for referral on to Council in February.
- (3) That Cabinet note the comments made at the budget workshops, and comment on the inclusion of the capital investments in the Investment Strategy to be brought back for consideration in January, for referral on to Council in February.

REASON FOR RECOMMENDATIONS: To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2022/23, to be considered by Full Council on 10 February 2022.

The Service Director – Resources presented the Draft Budget 2022/23 along with Appendices A and B and drew attention to the following:

- This was the first iteration of the Budget based on a number of assumptions and projections and the feedback from the Budget Workshops
- The Local Government Settlement from central government was expected imminently and would clarify the position on a number of assumptions and projections made in this iteration of the Budget
- Inflation was at a very high level and projections for foregoing years suggested it would remain as such which caused significant budget pressures, resulting in the savings envisioned by the MTFs having a less significant impact.
- Budget workshops demonstrated that there were some proposed savings that could be removed and further options to bridge the funding gap were being explored
- This budget was the first step in a many step process towards balancing the budget and savings in the medium term would need to be made.

The following Members asked questions:

- Councillor Keith Hoskins
- Councillor Terry Hone

In response to questions the Service Director – Resources advised:

- Council Tax brought in approximately £10 million a year and increasing with inflation at 2% would result in an additional £200,000. The impact of freezing Council Tax would result in a loss of that amount in that year and an ongoing loss in future years as inflation continued.

Councillor Terry Hone noted that he was pleased the proposals to introduce charges for the use of public toilets were dropped and that the removal of the garden waste charge had been

shelved until a more suitable time, and mentioned discussions around the letting of Harkness Court from the Overview & Scrutiny Committee.

On the vote it was:

RECOMMENDED TO CABINET:

- (1) That Cabinet note the latest funding forecasts for 2022/23 and the significant uncertainty around inflation and Central Government funding, and that these estimates provided could be subject to significant change.
- (2) That cabinet note the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the budget to be brought back for consideration in January, for referral on to Council in February.
- (3) That Cabinet note the comments made at the budget workshops, and comment on the inclusion of the capital investments in the Investment Strategy to be brought back for consideration in January, for referral on to Council in February.

REASON FOR RECOMMENDATIONS: To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2022/23, to be considered by Full Council on 10 February 2022.

NB: The report considered by Finance, Audit and Risk Committee at the meeting held on 15 December 2021 can be found at Item 13 here:

[Agenda for Finance, Audit and Risk Committee on Wednesday, 15th December, 2021, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)