

**6e REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 07 DECEMBER 2022
– DRAFT BUDGET 2023/24**

RECOMMENDED TO CABINET: That Cabinet:

(1) Note the latest funding forecasts for 2023/24 onwards and the significant uncertainty that still remains;

(2) Confirms that it is necessary to increase Council Tax by 3% (the maximum amount now allowed without a local referendum) as this is what will be assumed by Government in determining the Business Rates that the Council can retain;

(3) Confirms that the Council should be a part of the Business Rate pool in 2023/24, but delegated to the Service Director: Resources, in consultation with the Executive Member for Finance and IT, authority to withdraw from the pooling arrangement if there are significant changes that would make it likely that the Council would suffer a financial loss from pooling;

(4) Notes 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;

(5) Notes 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 DECISIONS: To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2023/24, to be considered by Full Council on 23 February 2022.

Audio Recording: 1 hour 20 minutes 35 seconds

The Service Director – Resources presented the report entitled Draft Budget 2023/24 and highlighted the following points:

- The Medium Term Financial Strategy was approved at Full Council in September, which included a number of assumed budget estimates; these have since been updated as better information has become available.
- The revenue savings and investment proposals, and new capital schemes, go to the confidential Councillor budget workshop at the beginning of November. This report contains the results of those workshops as well as any budget funding updates;
- No recommendations came from either the Joint Administration and Opposition workshops;
- The total value of the revenue proposals does exceed the savings target that was set in the Medium Term Financial Strategy;
- Councils are being given increased flexibility to increase Council Tax up to 3%;
- 3% gives the Council more income should Council Tax be increased; there will be an assumption by the Government that the Council Tax will be increased to 3% in determining future funding;
- The table in paragraph 8.4 shows the financial impact of increasing Council Tax;

- The Local Government Draft Settlement will be announced on Thursday the 22 December 2022; told there was likely to be a interim announcement between the Autumn Statement and Draft Settlement but nothing has happened yet.

Councillor Terry Tyler proposed and Councillor Chris Hinchliff seconded and, following a vote it was:

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The reports and papers associated with this item can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 7th December, 2022, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)