

Item No	Referred from:	FINANCE AUDIT & RISK COMMITTEE
6d	Date:	13 DECEMBER 2023
	Title of item:	DRAFT BUDGET 2024-25
To be considered alongside agenda item:		15

The report considered by Finance Audit & Risk Committee at the meeting held on 13 December 2023 can be viewed here [Agenda for Finance, Audit and Risk Committee on Wednesday, 13th December, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#).

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet note the latest funding forecasts for 2024/25 onwards and the significant uncertainty that still remains.
- (2) That Cabinet confirm that it will be necessary to increase Council Tax by the maximum amount allowed without a local referendum, as this is what will be assumed by Government in determining the Business Rates that the Council can retain and calculating the Council's Core Spending Power.
- (3) 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 February, for referral on to Council at the end of February.
- (4) 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 February, for referral on to Council at the end of 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 2024/25, to be considered by Full Council on 29 February 2024.

Audio Recording 1 hour 18 minutes 35 seconds

The Service Director – Resources presented the report entitled 'Draft Budget 2024/25' and highlighted that:

- This was a draft version of the report, and the final version would be going to Council in February.
- The draft was completed after budget workshops with Members and Officers and their feedback to proposals, there may be some further proposals to be included in the Cabinet report.
- It had been proposed that the customer services centre remained open for longer hours, which would have a cost implication with a budget increase.
- There would be ongoing costs for the Economic Development Strategy whilst it was being developed.
- The Department of Levelling up Housing and Communities (DLUHC) had issued a policy statement relating to Local Government finance settlement, a draft settlement was due with more information before Christmas.

- The DLUHC policy statement gave some assurances about the expected financial settlement, with the MTFs predicting a 3% income uplift, from Retained Business Rates, Council Tax and grants.
- There would be a recommendation to increase Council Tax by 2.99%, which was the most allowed before a referendum was required.
- There was little certainty going forward regarding funding in advance of the next General Election, but hopefully post-election there would be a move towards more funding certainty.
- A more detailed report would be presented to the Committee on the 31 January with more detailed funding and risk assumptions and the recommendation for the minimum general fund balance.
- There would be some use of reserves in the budget, but these would be generated from the release of the business rates pooling gains.
- There would be an update given to Cabinet to reflect the decision from DLUHC assessment and an addendum for this would be given in the Cabinet version of the draft budget.

The following Members asked questions:

- Councillor Terry Hone
- Independent Person John Cannon

In response to questions the Service Director – Resources stated:

- The principal area of growth would be in Planning with the need to deliver major sites and the income that these would generate, staff will need to be in place to facilitate these large applications.
- Careline could be an area of revenue growth and generates an income from other client bases.
- There were also some smaller short-term areas of growth.
- Consultants were required for some specialised tasks, , the costs for employing specialist full time would be greater and generally consultant input was required for short periods of time.

Councillor Tom Plater proposed and Councillor Tamsin Thomas seconded and, following a vote, it was:

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