

This evening the Council has the duty to set a budget for the year 2020/21

The current year, 2019/20 is the last year of a four-year settlement for Local Authorities. Next year was supposed to see the introduction of a new funding formula and a new system for the retention of business rates. However instead we have a one year settlement. Whilst we aren't yet facing the prospect of negative Revenue Support Grant, we are forced into setting what is effectively a 1-year budget.

We would have liked to have funded more of our aspirations, but we are forced to assume that in the medium term our funding will be cut yet again. So we have had to be cautious in how we implement the Council Plan that was agreed in November. We have made the decision to specifically invest in areas that increase our engagement with our community, encourage co-operative development and tackle climate change. This is part of our commitment to delivering all the priorities of the Council Plan, which are:

- Being a more welcoming and inclusive Council
- Building thriving and resilient communities
- Supporting the delivery of good quality and affordable homes
- Responding to challenges to the environment
- Enabling an enterprising and co-operative economy

We are aware that we are adding to ongoing costs, but we are committed to reviewing what we spend our money on next year. We will consult with the public on their priorities for the services we deliver and which we all value. We will then balance what we want to continue doing the most with the budget available.

In their recent presentation to us, Peer Challenge colleagues invited us to "Be Brave!" It will indeed require a combination of Courage and Prudence as we go forward. This administration is determined to be risk aware, rather than risk averse as we take the necessary difficult decisions needed to meet that challenge.

In balancing the budget in future years, we will continue to look at ways to be more efficient first. But given the scale of savings that this Council has been forced to deliver over a number of years, we have to be realistic about how much this can deliver.

We will also continue our focus on being more commercial. The Council has a Commercial Strategy and has now also agreed a Property Acquisition and Development Strategy. These will be used to develop commercial approaches and investments that could improve outcomes, reduce costs and generate income. All of which will help to deliver the Council Plan at lower net cost.

In proposing the Council Tax level for next year, we have to consider medium term forecasts over funding levels. We know we will see New Homes Bonus completely eliminated as a funding stream over the next few years. Whilst it might have a different name or be applied in a different way, we have to assume that a reduction of the same level as negative Revenue Support Grant will hit us in 2021/22. So, taking that medium-term view we must propose that the Council Tax element for North Hertfordshire is increased by the maximum amount allowed without the need for a local referendum. That is a £5 increase on a band D property, with the increases on other bands pro-rata to that. A £5 increase is less than 2.2%.

We shared our draft budget proposals with all Members in the budget workshops in November. We also asked for contributions of ideas for ways that the Council can save money, either through spending less, delivering more or generating income. I hope that this level of participation will assist the agreement of our budget tonight, which I believe is a reasonable balance between a one year budget and considering the medium term.

I will now invite Councillor Albert to expand on our proposed budget.