

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 19 DECEMBER 2022

Present: Cllrs: S Atkinson (Chair), S Fletcher, S Hore, R Newmark, D Peat, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 **Apologies**

1.1 Cllr J Hill, A Brown, J Rogerson, Director of Economic Development and Planning.

2 **Minutes of meeting held on 29 November 2022**

2.1 Members approved the minutes of the last meeting of the Budget Working Group.

3 **Provisional Local Government Finance Settlement**

3.1 A report was presented by the Director of Resources on the Provisional Local Government Finance Settlement 2023/24.

3.2 On the 12 December DLUHC had published a Policy Statement on the future of Local Government finance, confirming the Government's policy intent for the next two years.

3.3 The report went through the various funding streams and the position under the policy statement, for both the 2023/24 and 2024/25 financial years.

3.4 The Government had again delayed the key reforms to Local Government Finance.

3.5 Whilst the report explained that the detail in respect of the council's allocations were expected in the coming days, they had been released just prior to the meeting taking place, but it hadn't been possible to look at the council's allocations in any detail at that point.

4 **Revenue Budget - Latest Position**

4.1 The Director of Resources took members through the latest budget position for the revised Revenue Budget 2022/23 and the Original Estimate 2023/24, based on the information available at that point in time.

4.2 The position on the Revised Estimate was showing that £135,934 more would be needed from General Fund balances i.e. taking £548,356 rather than £412,422.

4.3 The largest variations on the Revised Estimate had been around:

- Pay increases following the settlement of the pay award £1,925 on all pay points
- Incremental increases following the introduction of new pay-line
- Utility bill inflationary increases
- Losses in income

4.4 The position on the Revised Estimate had been helped by the large increase in investment income due to rising interest rates.

4.5 At that stage, the detailed expected business rates income had not been calculated, and was shown at the same levels as for the Original Estimate.

4.6 The report then went on to look at the Original Estimate for 2023/24. The various assumptions made were detailed in the report – particularly around government funding, council tax increases and interest rates.

- 4.7 Again, at that stage details around business rates had yet to be ascertained and the figures were very much at an early draft stage. At that point in time there was a budget gap shown of £1.4m.
- 4.8 There were discussions around a number of future cost pressures and potential future funding, including around the new Extended Producer Responsibility for Packaging Scheme (EPR).
- 4.9 The position on business rates would be clearer once the NNDR1 return was completed, the deadline for which was the 31 January. As such it was agreed that the next meeting would be around this date.

5 Five Year Capital Programme

- 5.1 A summary of the latest position on the Five Year Capital Programme was provided to members. This reflected discussions that had already taken place at Budget Working Group on the 29 November and CMT on the 14 December.
- 5.2 Budget Working Group agreed with the further suggestions of CMT, particularly in respect of the use of UK Shared Prosperity Fund for a number of schemes.
- 5.3 The capital programme remained unaffordable at that stage and further work was needed in respect of reviewing schemes and agreeing the financing of the same.

6 Alternative Support for Household Energy Bills this Winter

- 6.1 The Chief Executive provided details of a further Government scheme to support households with their energy bills over winter.
- 6.2 The criteria of the government scheme would mean that most members of the following groups would be eligible for support (although the list was not exhaustive):
- Care home residents (provided they in some way pay towards their care);
 - Park home residents;
 - Households in caravans and houseboats on fixed/registered sites;
 - Social and private tenants who get their energy through a commercial supplier (e.g. a landlord);
 - Heat network customers not already covered by main EBSS (private wire/CHP);
 - Farmers in domestic farmhouses, as well as others in domestic residences with a commercial supply;
 - Homes off the grid.
- 6.3 Further details of the operation of the scheme and timelines was given, including high level information about New Burdens funding for local authorities.

7 Any Other Business

- 7.1 There were no items of other business

8 Date and Time of Next Meeting

- 8.1 It was agreed that the next meeting would be towards the end of January to allow a further review of the revenue budget once details of business rates income was known. This would be after completion of the NNDR1 return.