

Performance and Finance Scrutiny Sub-Committee

Minutes

13 December 2022

Present:

Chair: Councillor Yogesh Teli

Councillors: Graham Henson
Nitesh Hirani

Natasha Proctor

**In attendance
(Councillors):** Govind Bharadia
For Minutes 15 and 16.

9. Attendance by Reserve Members

RESOLVED: To note that there were none.

10. Declarations of Interest

RESOLVED: To note that there were none.

11. Minutes

RESOLVED: That the minutes of the meeting held on 27 July 2022 be taken as read and signed as a correct record.

12. Public Questions

RESOLVED: To note that no public questions were received at the meeting.

13. Petitions

RESOLVED: To note that no petitions were received.

14. References from Council and Other Committees/Panels

RESOLVED: To note that there were none.

Resolved Items

15. Draft Revenue Budget 2023/24 and Medium-Term Financial Strategy 2023/24 to 2025/26

Members received the Draft Revenue Budget 2023/24 and Draft Medium Term Financial Strategy (MTFS) 2023/24 to 2025/26.

The report set out the draft revenue budget for 2023/24 and draft MTFS for 2023/24 to 2025/26. The budget and MTFS would be brought back to Cabinet in February 2023 for final approval and recommendation to Council.

In the discussion that ensued, Members made comments and raised the following questions:

- citing Table 1 of the report, had income growth projections for 2024-2025 been removed?
- the budget that was set in February 2022 had flexibility in the use of reserves to address additional pressures. Was this still the same?
- within the draft budget even after raising taxes to the limit of 4.99%, there is still a gap set at around £10m. As the draft budget consultation will not include proposals to reduce the £10m budget gap it will mean that any future proposals will require their own consultations, with a greater amount required to have the full year impact. What would be the financial options in February 2023 to set a balanced budget taking consideration of the full year impacts on unknown proposals, and would that entail closing some services?
- with the rise in the cost of adult social care, would reserves be used to fund any additional costs?
- what would be the financial implications if Council Tax was not increased?
- had discussions on consultations taken place yet and what was likely to be consulted on?
- would there be changes in fees and charges, and if so, what percentage increases were being considered?

In response, the Director of Finance and Assurance advised as follows:

- some of the income growth projections for 2024-2025 had been removed, as inflation had risen sharply over the past year, as some costs had materialised.
- it was not ideal to have a budget deficit and the Council was legally obligated to have a balanced budget. The biggest financial outlay was the pay award, which took into account inflation. The pay award had risen from 2% to 6% for the financial year 2022-2023. Reserves would be used prudentially. At the moment, it was envisaged that no services would close.

- the costs for adult social care were forecast to remain the same, and it was not expected that reserves would be used to fund it. Furthermore, not the full amount had been spent in the previous financial year.
- if Council Tax was not increased, the Council would struggle to generate more revenue, and would have to rely on savings to fill any deficit.
- work had been ongoing on consultations, which would be undertaken separately. Contingency plans had been factored into the budget, with the realisation of a budget gap, which required filling.
- from January 2023, fees and charges would rise by between 7% and 10%.

RESOLVED: That the report be noted.

16. Draft Capital Programme

Members received the Draft Capital Programme 2023/24 to 2025/26.

The report set out the draft General Fund capital proposals which had been proposed as part of the 2023/24 budget process.

In the discussion that ensued, Members asked if the sum of £1.5m quoted on Table 2, of the Report under resources, would be added to the revenue budget.

The Head of Strategic and Technical Finance advised that the details were shown on Table 5 of the Report, and further details in the appendix.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 6.30 pm, closed at 7.56 pm).

(Signed) Councillor Yogesh Teli
Chair