

Minutes

of an informal meeting of

Cabinet members

held on Monday 20 December 2021 at 10.30 am
This was a virtual, online meeting.

Open to the public, including the press

Remote attendance:

Councillors: Emily Smith (Chair), Bethia Thomas (Vice-Chair), Debby Hallett, Andy Crawford, Neil Fawcett, Helen Pighills, Judy Roberts and Catherine Webber
Officers: Patrick Arran, Harry Barrington-Mountford, Steve Culliford, Andrew Down, Simon Hewings, Jeremy Lloyd, Suzanne Malcolm and Mark Stone

68 Apologies for absence

None

69 Declarations of interest

None

70 Urgent business and chair's announcements

The Chair reported that this was an informal meeting of Cabinet members, held remotely, as there were no decisions to take, only reports to note.

71 Public participation

None

72 Budget monitoring 2021/22

Cabinet members received the head of finance's report, which looked at the council's revenue and capital budget position as at 30 September 2021.

The Cabinet member for finance highlighted the revenue and capital spend during the first six months of the 2021/22 financial year. Based on expenditure in those six months, there was a forecasted year end revenue underspend of £2.7 million, the details of which were set out in Appendix 1 to the report, and the carry forwards request were set out in Appendix 2. The report also showed that there had been £3.2 million spent from the £7.4 million capital programme.

RESOLVED: to note the head of finance's budget monitoring report.

73 Budget 2022/23

Cabinet members received the head of finance's report. This informed of progress made in preparing the revenue budget for 2022/23 and the capital programme for 2022/23 to 2026/27. The report also set out the funding issues that would need to be considered when Cabinet made its budget proposals to Council in February 2022.

The Cabinet member for finance reminded councillors that the budget set in 2021/22 required the use of reserves, which would be unsustainable over the five-year medium term financial plan period. This had resulted from council tax being low and the council's inability to increase it sufficiently. Also, the council had not benefitted under the government's business rates retention scheme. Although the council had benefitted from the new homes bonus scheme, government income from this was expected to be less generous in future. The government's settlement had been published; however, it was a one-year only settlement, with future years' funding unknown. Also, the 1.254 per cent increase in the council's National Insurance liability had not been funded separately. Together, these issues made it more difficult to plan ahead and to balance the medium term financial plan over the five year period.

In recent months, officers had reviewed the base budget requirement to reduce the net expenditure budget for 2022/23, whilst maintaining service levels. The review had resulted in the base budget for 2022/23 being reduced. This meant that the medium term financial plan could be balanced for four of the five years. At this stage there was no need for service cuts in 2022/23. However, Cabinet had not yet made any growth or further savings proposals, which would affect the budget position. Cabinet would consider the budget again at its meeting on 4 February 2022, when it would recommend the budget to Council for adoption.

Cabinet members welcomed the report but were disappointed that the council had only been given a one-year government settlement and that this did not include the council's increase in National Insurance liability. Members welcomed the revenue base budget review, which had found significant savings, and thanked all officers for their work on this. It was recognised that there could be additional financial pressures on the council over the next few weeks as it responded to the changes in the Covid-19 pandemic. The council would have to tackle these demands as they arose. Members also hoped to see the strategic property review and the procurement strategy bringing financial gains for the council in the future.

The chief executive placed on record his thanks to Cabinet members for their work and understanding on the budget pressures, and in particular thanked the Cabinet member for finance for his support.

RESOLVED: to note the head of finance's report to Cabinet on 20 December 2021.

The meeting closed at 10.53 am