

REPORT OF THE BUDGET SCRUTINY PANEL – 2022/23 DRAFT BUDGET

Foreword by Councillor Miah, Chair of the Panel

It has been a tough year where staff and Councillors have worked well to keep the Council's finances resilient to ever increasing and changing demand.

1. Background

Following a decision of the Scrutiny Commission at its meeting on 13th September 2021, a Budget Scrutiny Panel has undertaken scrutiny of the Council's draft budget for 2022/23.

2. Panel Membership

Councillors Miah (Chair), Hamilton, Parsons, Parton and Seaton.

3. Meetings and Matters Considered

6th October 2021

At this meeting, the Panel considered:

- The Period 4 Monitoring Report, covering General Fund and HRA to the end of July 2021, Period 4.
- The MTFS Tracker – Review of the MTFS Position. Tracking the data on the Medium-Term Financial Strategy.
- The approach to budget setting for the financial year 2022/23.

8th December 2021

At this meeting, the Panel considered:

- The Revenue Monitoring Position (General Fund and HRA) – Period 7. Setting out the revenue position for the General Fund and HRA at the end of period 7.
- The draft 2022/23 General Fund and HRA budgets. Showing the projected base budget position for 2022/23 including the savings and growth proposals put forward for the year and provide the basis for the budget consultation.
- The Draft Capital Plan 2022/23 to 2024, also considering possible sources of funding and to begin a period of consultation.
- Views on the Government financial settlement.
- Possible Budget Scrutiny Panel recommendations.

5th January 2022

At this meeting, the Panel were presented with further information on the Government financial settlement as well as an update on the approaches to the final budget development. The Panel also agreed its report.

The detail of the discussion at the above meetings is set out in the minutes of those meetings, attached as **appendices** to this report.

4. Officers and Cabinet Lead Members

The Panel was assisted in its scrutiny of the Council's draft budget for 2022/23 by:

The Cabinet Lead Member for Finance and Property Services
The Strategic Director; Environmental and Corporate Services
The Head of Financial Services

5. Recommendations

No formal recommendations were made by the Panel. However, it was noted that future meetings of the panel would need to make recommendations based on what was discussed in terms of financial impact, savings and income with regard to the year's budget and put to the Scrutiny Commission to decide whether to pass them to Cabinet.

6. Observations

The Panel wishes to make the following observations in respect of future budgets and budget scrutiny:

- (i) Key risk areas include:
 - a. The need to deliver on 2021/22 savings, including salary increases.
 - b. Risks surrounding the final and future grant settlement figures,
 - c. The impact of the environmental bill on garden waste collection
 - d. The need to monitor commercial rents.
 - e. Inflationary risks.
 - f. Contractual cost risks.
 - g. The impact of Omicron and the ongoing Covid-19 pandemic.
 - h. Interest rates and the effects a rise in rates would have on the wider economy, particularly in terms of business rates and council tax collection. Whilst treasury management would give the Council more income, borrowing would cost the Council more.
- (ii) Whilst not having officers in their posts creates savings, it means that services are not being delivered.
- (iii) The Council needs to be mindful of the financial pressures faced by its residents.

7. Background Papers

No further papers to those already identified in/appended to this report.

8. Appendices

Minutes of the meetings of the Budget Scrutiny Panel held on 6th October and 8th December 2021.