

COUNCIL – 21ST FEBRUARY 2022

Report of the Cabinet

ITEM 6.1 GENERAL FUND AND HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS AND SPECIAL EXPENSES 2022/23

Purpose of Report

To consider the recommendations of the Cabinet regarding the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2022/23. These budgets represent the financial spending plans for all services of the Council, and it is a legal requirement to set a balanced budget each financial year. The report also incorporates the proposed Council Tax levy which must be set by the Council and the 2022/23 original budget for the HRA together with proposals to increase rent and service charges.

Recommendations and Reasons

The full Council Tax Recommendations, which the Council must consider in order to set a Council Tax Levy and General Fund and HRA revenue budgets for 2022/23, will be circulated once confirmation has been received from major preceptors regarding their precepts.

Policy Justification and Previous Decisions

The budget is essential to all policies of the Council and the setting of a Council Tax levy is a legal requirement of the Council. The rents also need to be within specified parameters set by the Department for Housing, Communities and Local Government.

At its meeting held on 10th February 2022, the Cabinet considered a report of the Budget Scrutiny Panel presenting observations and recommendations with regard to the Council's 2022/23 budget. Also considered was a report of the Head of Finance and Property Services which set out the proposed General Fund and HRA Revenue Budgets for 2022/23.

The following extracts from the minutes of the Cabinet's 10th February 2022 meeting detail its consideration of those reports:

'78 BUDGET SCRUTINY PANEL

Considered, a report of the Head of Strategic Support to consider the report of the Budget Scrutiny Panel following its scrutiny of the Council's draft budget for 2022/23 (item 6 on the agenda filed with these minutes).

Councillor Miah, Chair of the Budget Scrutiny Panel, presented the report of the Panel. He also thanked the Panel members for their work and the officers and Cabinet Lead Member for Finance who had assisted it.

The Strategic Director; Environmental and Corporate Services and the Head of Financial Services assisted with consideration of the report.

The Budget Scrutiny Panel was thanked for its work in respect of the matter.

RESOLVED that the report and the observations set out within it be noted.

Reason

To acknowledge the work undertaken by and the views of the Budget Scrutiny Panel and to note its observations'

'2022-23 GENERAL FUND AND HRA REVENUE BUDGETS AND COUNCIL TAX AND MTFS 2022-25

Considered, a report of the Head of Financial Services setting out the 2022-23 General Fund and HRA Revenue Budgets and Council Tax and Medium-Term Financial Strategy (MTFS) 2022-25, for recommendation to Council (item 7 on the agenda filed with these minutes).

The Strategic Director; Environmental and Corporate Services and the Head of Financial Services assisted with consideration of the report.

Noted, an error on Appendix A4 on agenda page 60, Parish Precepts, should refer to Band D and not Band B. This would be corrected in report submitted to Council.

RESOLVED that Council be recommended:

- 1. to approve the Original General Fund Revenue Budget for 2022/23 at £17,862,933 as set out in Appendix A1 to the report;*
- 2. to set a base Council Tax at £135.69 at Band D, an increase of £4.61 on the 2021/22 rate as set out in Appendix A2 to the report;*
- 3. to set the Loughborough Special Levy at £79.53, a 1.99% increase on 2021/22 rate, as set out in Appendix A3 to the report and to approve the following ongoing savings and one-off pressure which are included in the General Fund and also form part of Loughborough Special Budget:*
 - Thorpe Acre Hub - £9.8k saving*
 - Gorse Covert/Fearon Hall- £1.3k saving*
 - Cemetery Fee Increase - £10k saving*
 - CCTV Salaries - £10k saving*
 - Carillon Income - £4.5k One off Service Pressure;*

4. *to approve the Original HRA Budget for 2022/23 as set out in Appendix A5 to the report;*
5. *to amend the HRA weekly rents in line with the Ministry of Housing, Communities and Local Government (MHCLG) guidance;*
6. *to amend the non-HRA dwelling properties in line with the Ministry of Housing, Communities and Local Government (MHCLG) guidance;*
7. *to approve the HRA service charges in accordance with the MHCLG guidance;*
8. *to approve that the shop rents retain their current rents in accordance with an assessment by the Valuation Office;*
9. *to approve that garage rents increase to £10 per week (52 weeks) in accordance with an assessment by the Valuation Office;*
10. *to approve that the Leasehold Management and Administration charge increases to £138.33 per annum Leasehold flats, and £138.32 for Leasehold shops;*
11. *that the Lifeline weekly charge is increased in line with MHCLG Guidance;*
12. *to determine that the basic amount of Council Tax for 2022/23 is not excessive according to the principles set out by the Secretary of State;*
13. *that delegation be given to the s151 Officer, in conjunction with the Cabinet Lead Member for Finance, to amend this report for Council in line with the final updated NNDR figures;*
14. *that the Medium-Term Financial Strategy 2022-2025 as set out at Appendix B to the report be noted and recommended to Council for approval.*

Reasons

1. *So that the necessary finance is approved to carry out services in 2022/23.*
2. *So that the Council Tax can be set in accordance with legal and statutory requirements.*
3. *So that a Loughborough Special Levy can be set in accordance with legal and statutory requirements.*
4. *To ensure sufficient funding for the Housing Revenue Account in 2022/23.*

5. *To comply with social housing rents guidance.*
6. *To be consistent with the other council house stock.*
7. *To ensure the correct alignment of costs and service charges for tenants in accordance with best practice.*
8. *So that shop rents follow the assessment and guidance provided by the Valuation Office.*
9. *To increase the rent generated for garages in line with the guidance from the Valuation Office.*
10. *So that there is sufficient recovery of the costs associated with operating the leasehold flat and shop services.*
11. *So that there is sufficient recovery of the costs associated with operating the Lifeline service.*
12. *To comply with the requirements of the Local Government Finance Act 1992.*
13. *To update the budget report in line with final settlement figures once these are received.*
14. *To inform members of the future financial outlook for the Council'*

The report of the Head of Finance and Property Services setting out the proposed General Fund and HRA Revenue Budgets for 2022/23 is attached as an Annex.

Implementation Timetable including Future Decisions and Scrutiny

Council is requested to consider the Cabinet report and the recommendations of Cabinet on 10th February 2022 alongside the full Council Tax Recommendations, which will be circulated once confirmation has been received from major preceptors regarding their precepts, in order to set a Council Tax Levy and General Fund and HRA revenue budgets for 2022/23.

The actual budgets will come into effect on 1st April 2022.

Report Implications

As detailed within the attached Annex.

Key Decision: Yes

Background Papers: Cabinet 10TH February 2022 agenda items 6 and
7
<https://charnwood.moderngov.co.uk/documents/g579/Agenda%20frontsheet%2010th-Feb-2022%2018.00%20Cabinet.pdf?T=0>

Officers to Contact: Lesley Tansey
Head of Finance and Property Services
01509 634810
lesley.tansey@charnwood.gov.uk