

Overview and Scrutiny Committee – 14 July 2022

Draft Minute 16 - Agenda Item 4 - Medium Term Financial Plan 2023/24

Members received a report and update on the Medium-Term Financial Plan 2023/24 to 2027/28 from Councillor Schofield, Deputy Leader and Executive Member for Finance and Governance.

The report to the Committee set out the background and context for the budget elements of service and financial planning for 2023/24 onwards. The Executive Member for Finance and Governance pointed out that this draft Medium Term Financial Plan (MTFP) confirmed that local government continues to face challenging financial situations. It has been known for some time that this Council's share of government funding is set to reduce, and new ways will need to be found to make more efficient use of existing resources while at the same time seeking new sustainable income streams, on top of the income losses that have needed to be addressed following the pandemic and the prospect of escalating cost pressures due to inflation.

The draft report provides an early but comprehensive assessment of the key information that will be used for the detailed budget setting for 2023/24 onwards. It was stressed that the draft report provides the framework for the detailed work now underway with officers and Executive Members to develop the actual budget proposals for consideration both by Overview and Scrutiny and the Executive in November 2022.

A Member briefing on the Financial Sustainability Plan would be taking place on 26 July 2022 and Members were encouraged to attend. Councillor Schofield asked for the Committee to note the report and provide any comments which could be taken into account as work on the budget progressed.

Members welcomed the report and had submitted a number of advance questions. The Executive Member for Finance and Governance suggested that perhaps future advance questions could be submitted through the Chair to help avoid duplication.

The Head of Finance gave verbal answers to the advance questions; written answers would be supplied following the meeting (now attached to these minutes).

Additional points were raised during the meeting as set out below.

Capital Receipts Reserves - Members asked where capital receipts reserves are held, as they were not listed in the schedule of earmarked revenue reserves. It was confirmed that the capital reserves on the balance sheet are reported separately to the revenue reserves.

Members asked for a breakdown of capital reserves to be included in the Budget Scrutiny papers in November.

Local Council Tax Support Scheme Review (Page 45) - Members asked when this review would take place. It was explained that the current scheme had not been reviewed for several years. The intention was to review eligibility criteria in conjunction with the proposed council tax policy changes in

consultation with stakeholders and preceptors. The outcome would come forward in the autumn for consideration.

Rough Sleepers (Page 33) - Members noted that no government announcements have been made around funding for rough sleepers, although there is significant funding for homelessness prevention. It was confirmed that the final position for the following year is usually confirmed around December.

Maximising Other Income – setting fees and charges (Page 37) - Members were concerned that raising parking charges may lead to illegal and inconsiderate parking. They also discussed the benefits of ensuring an affordable charge for pre-planning applications. It was confirmed that all fees and charges were under review as part of the Financial Sustainability Programme. Members debated the merits of ensuring that fees cover costs while also considering the impacts of fees and charges on low income households.

The Chair thanked the Head of Finance and other officers for the information provided. He concluded that the MTFP was based on a reasonable basis and noted that there is currently a forecast budget gap of £2million. He commented that the ability to address this shortfall would be dependent on several factors to be determined as the year progressed, including the likelihood for recovery of the £1.4million drop in revenue post-COVID, particularly car park income.

The Chair requested that the Medium Term Revenue Budget Forecast 2023/24 to 2027/28 on page 76 be updated in the pack for the Budget Scrutiny Panel, together with explanations of changes for each line item, as it was a useful summary.

The meeting adjourned for a five-minute break at 20.39.

RESOLVED that the Committee:

(i) Noted the report and raised comments for consideration by the Executive as set out in the Minutes and the advance questions and answers.