

## **BUDGET UPDATE 2022/23**

**Cabinet - 9 December 2021**

**Report of:** Deputy Chief Executive and Chief Officer - Finance and Trading

**Status:** For Decision

**Key Decision:** No

**Executive Summary:**

The Council has an excellent track record in identifying, planning for and addressing financial challenges. In light of the challenging financial position facing all authorities eleven years ago, for 2011/12 the Council produced a 10-year budget together with a savings plan for the first time. This will be the twelfth year this method has been used and provides the Council with a stable basis for future years.

This report sets out progress made in preparing the 2022/23 budget and updates Members on key financial information.

Included in the last report was an assumption that £100,000 of net savings /additional income per annum were included for this budget cycle. The SCIA's listed in Appendix D show that growth proposals exceed savings which if accepted by Cabinet would result in an updated budget gap of £157,000. Therefore, savings of £157,000 per annum will still be required to produce a balanced 10-year budget.

There are however still some uncertainties as the Provisional Local Government Finance Settlement is not expected to be announced until later this month. This may include changes to the current assumptions such as increasing the Council Tax referendum limit and funding to offset the 1.5% National Insurance levy.

The Cabinet will make its final recommendation on the budget at its meeting on 10 February 2022, after taking into account any updated information available at that date.

**Portfolio Holder:** Cllr. Matthew Dickins

**Contact Officer(s):** Adrian Rowbotham, Ext. 7153

Alan Mitchell. Ext. 7483

**Recommendation to Cabinet:**

- (a) Consider and respond to comments and recommendations of the Advisory Committees regarding the growth and savings/additional income proposals (SCIAs) listed in Appendix D and detailed in Appendix E.
- (b) Look at the further growth and savings/additional income suggestions put forward by the Advisory Committees listed in Appendix F and decide one of the following options for each suggestion:
  - (i) Consider within this budget cycle and ask for SCIAs to be presented to Cabinet in January.
  - (ii) Ask that the Portfolio Holder has further discussions with the Chief Officer.
  - (iii) Do not take any further.
- (c) Request that officers identify further savings options to be included in the Budget Update report to Cabinet on 13 January 2022.

**Reason for recommendation:** It is important that the views of the Advisory Committees are taken into account in the budget process to ensure that the Council's resources are used in the most suitable manner.

## **Introduction and Background**

- 1 The Council's financial strategy continues to aim for long-term financial health and continues to work towards improving financial sustainability. It has been successful through the use of a number of actions including:
  - implementing efficiency initiatives.
  - significantly reducing the back-office function.
  - improved value for money.
  - maximising external income.
  - the movement of resources away from low priority services.
  - an emphasis on statutory rather than non-statutory services.

- 2 Over this period the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders.
- 3 Using the data sources available to the Council, this report sets out a budget over the 10-year period but recognises that it is likely that more accurate data will become available in future months and current assumptions may need to be updated.
- 4 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the immediate reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.
- 5 With the Revenue Support Grant provided by Government having ceased from 2017/18 it is important that the council remains financially self-sufficient by having a financial strategy that is focused on local solutions. These solutions include:
  - continuing to deliver financial savings and service efficiencies.
  - growing the council tax and business rate base.
  - generating more income.
- 6 At the Cabinet meeting on 16 September 2021, Members considered a report setting out the Council's financial prospects for 2022/23 and beyond. That report set out the major financial pressures the Council is likely to face, together with a proposed strategy for setting a balanced and sustainable budget for 2022/23 and beyond.
- 7 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between September and November, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which will be considered at this meeting.
- 8 The financial future for councils will remain challenging as highlighted in the Institute for Fiscal Studies (IFS) 'What's Happened and What's Next for Councils?' document published in October. It included the following highlights:
  - Government funding during 2020-21 exceeded councils estimated in-year covid pressures, however the partial compensation for lost income means shire districts in particular were 'under-compensated'.
  - Shire district councils on average faced forecast financial pressures of £46 per person, and received government support of only £34, leaving them with a shortfall of £12 per person. This 'unfunded pressure' reflects high reliance on Sales Fees and Charges, especially from

parking and culture & leisure facilities, and is equivalent to 6.6% of average pre-COVID budgets.

- The pandemic's impact is likely to be felt for the next few years in terms of spending and income-generating capacity, while underlying growth in service demands and costs continues, suggesting above-inflation rises in council tax will be needed to maintain service levels and quality.

## Financial Strategy

- 9 In order to maintain a viable Council that continues to deliver on its main priorities and the services it provides to its residents, the Council continues to adopt a Financial Strategy that embraces the following principles:
  - Remain financially self-sufficient.
  - Be clear about the Council's future financial prospects, with a ten-year budget as an integral part.
  - Ensure a strategic approach is taken to the management of the Council's finances, Council Tax, and budget setting.
  - Make effective use of reserves and capital receipts.
  - Manage our money carefully, monitor monthly and constantly strive for better value from our spending.
- 10 A two-page summary of the Financial Strategy can be found at **Appendix G**.
- 11 An audit of the 10-year budget process has recently been completed by Mazars (working for Internal Audit) and their findings were that the Council has adequate, effective and reliable controls in place over budget setting and long-term financial planning.

## Financial Self-Sufficiency

- 12 The Council's Corporate Plan 2013-2018 set out an ambition for the Council to become financially self-sufficient which was achieved in 2016/17. The current Council Plan aims to continue with this approach. This means that the Council no longer requires direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 13 This approach was adopted in response to the financial challenges the Country was faced with in bringing its public spending down to ensure it was able to live within its means. In practice this has seen Government funding to local authorities dramatically reduced since 2010/11 with Sevenoaks District Council receiving no Revenue Support Grant from 2017/18.
- 14 The decision to become financially self-sufficient is intended to give the Council greater control over its services, reducing the potential for decision making to be influenced by the level of funding provided by government to local authorities.

- 15 The Council's decision to seek to become financially self-sufficient was subject to scrutiny by the Local Government Association's Peer Challenge of the District Council during December 2013. In their closing letter to the Council, they concluded that they 'fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense'. A further Peer Challenge has recently been completed and the outcome will be provided to Members when known.
- 16 With the Council receiving no Revenue Support Grant from 2017/18 and New Homes Bonus reducing from 2018/19, this approach remains appropriate. The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus. Any funding received from these sources will be put into the Financial Plan Reserve which can be used to support the 10-year budget.
- 17 Cabinet are keen to remain financially self-sufficient which has served the Council well and ensured it is one of the most financially stable local authorities in the country. In the 2020/21 budget, a new target was set to replace reliance on Business Rates income over the coming years. However, due to the impact of Covid-19 and the greater uncertainty as Government funding reviews have been deferred, this was not addressed during the 2021/22 budget process but remains a future aim. This ambition will allow the Council to move ahead in the knowledge that it has the financial resources to provide the services that the district's residents need into the future.

#### **Updates to the Financial Prospects Report**

- 18 The following sections provide the latest information on the major income and expenditure streams together with details of the assumptions included in the attached 10-year budget.
- 19 The Government announced its Budget and Spending Review on 27 October 2021 which provided some high-level updates. Further details should be included in the Provisional Local Government Finance Settlement which is due to be announced in December.

#### **Covid-19 Financial Impact**

- 20 A number of Covid-19 related financial adjustments were made in the last budget cycle relating to both reduced income and increased expenditure. No changes to those assumptions have been made in this report but they will continue to be monitored throughout this budget process.

#### **Income**

- 21 **Government Support: Revenue Support Grant (RSG)** (£nil received in 2021/22) - This formula-based grant has significantly reduced since 2010/11 as the emphasis of Government Support has changed, in fact this council has not received any RSG from 2017/18 to date and is not expected to receive any in future years. The attached 10-year budget assumes no RSG, if any amounts are received in future years, they will be put into the Financial

Plan Reserve to support the 10-year budget including ‘invest to save’ initiatives and support for the Property Investment Strategy.

- 22 Negative RSG (i.e. where councils pay government) has previously been proposed by government. It has not been implemented but remains a threat going forward.
- 23 **New Homes Bonus (NHB)** (£1.16m received in 2021/22 but not used to fund the revenue budget) - the Government started this new funding stream in 2011/12 from funds top sliced from RSG with the intention that local authorities would be rewarded for new homes being built over a six-year period. The basis of NHB was changed with effect from 2017/18. Previously it was based on cumulative figures for 6 years, but this was reduced to 5 years from 2017/18 and 4 years from 2018/19. In addition, NHB is only received on tax base growth above 0.4% instead of on all growth (known as the deadweight).
- 24 It is likely that NHB will soon be replaced by a different method to incentivise housing growth.
- 25 **Council Tax** (£11.4m) - The Government referendum limit has initially been set at 2% in recent years although it has been changed later in the process. In 2021/22 the referendum limit was increased to the higher of 2% or £5 for a Band D property (2.3% for SDC). Council agreed to increase Council Tax by 2.3% in 2021/22 with the excess above 2% put into the ‘Net Zero Transition Fund’.
- 26 The Spending Review included an announcement that the referendum limit for 2022/23 would be 2% but it is possible that it could be changed to the higher of 2% or £5 for a Band D property once again. The assumption currently included in the 10-year budget is a 2% increase in all years.
- 27 If the same referendum limits as 2021/22 are set for 2022/23, the following increase would be possible:

2022/23 Council Tax	Current Assumption	Potential Assumption
% increase	2.00%	2.2%
£ increase (Band D pa)	£4.50	£4.95
£ (Band D pa)	£229.41	£229.86

- 28 Due to the uncertainty of future Council Tax increase referendum limits, if maximum increases are not taken there will be an ongoing detrimental impact on the ability to increase Council Tax in future years.
- 29 The tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing change in the number of Council Tax discounts awarded. The assumption

going forward is an increase of 730 Band D equivalent properties per annum from 2022/23, 580 per annum from 2025/26 and 480 per annum from 2027/28. The increased tax base results in additional Council Tax income which is assumed to be greater than the incremental cost of servicing the additional properties although it should be recognised that there are likely to be step changes in costs for some services in the future such as refuse collection. The Local Plan will also affect future tax base assumptions.

- 30 **Business Rates Retention** (£2.2m) - The basis for allocating Government Support from 2013/14 changed to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received. However, tariffs and top ups are applied to ensure that the funding received by each local authority is not significantly different to pre 2013/14 amounts. This council is due to collect £39m of Business Rates in 2021/22.
- 31 A Business Rates Pool operates in Kent and Medway which generally results in councils retaining more Business Rates than if they were not in the pool. This council and Dover Borough Council were not part of the pool in previous years, but it has been agreed that Sevenoaks and Dover will benefit as if they were in the pool going forward. A request has been made to Government to continue with the same arrangement in 2022/23.
- 32 Due to the uncertain impact of Covid-19 on local businesses, the large number of business rates appeals being outstanding with the Valuation Office Agency (VOA) and the limited opportunities to increase the number of businesses in the district, the assumption in the 10-year budget remains at the safety-net level, which is the amount of business rates the council is assured of retaining in the current scheme if it were not in a pool.
- 33 Any increased Business Rates retained in 2022/23 due to being linked to the Kent and Medway Pool will be transferred to the Budget Stabilisation Reserve.
- 34 As the difference between Business Rates baseline and actual Business Rates collected diverges over time, a 'reset' is required after a period, to more closely align these. When Business Rates Retention was introduced in 2013/14, it was indicated that there would be a reset in 2020 however, this has been delayed several times. The Secretary of State for Housing, Communities and Local Government has recently suggested that the approach to distributing Business Rates will be re-visited to help support the Government's 'Levelling Up Agenda'.
- 35 Any change could significantly alter the distribution of Business Rates and it is hoped that transitional arrangements would be included so that any financial impact is minimised in the short term but there remains a risk that this council may no longer retain any Business Rates in the future. This would result in a funding gap that would need to be replaced by additional income or further savings.

- 36 **Interest receipts** (£0.2m) - returns are continuing to be significantly lower than they were a few years ago due to low interest rates and the Council's Investment Strategy taking a low-risk approach.
- 37 Although investments with external bodies continue to be low, it should be noted that funds lent to Quercus 7 are at rates of over 4.5%. However, this income is reported under Property Investment Strategy income rather than Interest Receipts.
- 38 The interest receipts assumptions are currently £188,000 for all years. Members have recently supported taking a less low-risk approach by making an investment in Multi-Asset Income Funds which it is hoped would enable the Council to once again achieve interest receipts at the budgeted level.
- 39 The Bank of England Base Rate is currently 0.1%. Assumptions will continue to be reviewed based on advice from our treasury advisors and discussions with the Finance and Investment Advisory Committee during the budget process.
- 40 **Property Investment Strategy** - The strategy was approved by Council on 22 July 2014 with the intention of building on an approach of property-based investment in order to deliver increased revenue income. This was set against a background of reducing Government Support and continued low rates of return through existing treasury management arrangements.
- 41 Six assets have been purchased or built to date, including the Premier Inn Hotel in Sevenoaks, at a cost of £25m. The annual income yields for completed schemes range from 5.9% to 9.6%.
- 42 A total of £50m had been approved by Council to be spent on the Property Investment Strategy. As well as the £25m above, £10m has been spent by Quercus 7 Ltd on five assets.

Property Investment Strategy income assumptions:

2022/23	£1.508m
2023/24 - 2025/26	£1.558m per annum
2026/27 - 2028/29	£1.655m per annum
2029/30 - 2031/32	£1.696m per annum

- 43 Members should be aware that the Government and CIPFA are continuing to implement ways to limit Council's ability to make commercial property investments. This is currently limiting and may even stop council's ability to borrow for investments made purely for yield which is what the Property Investment Strategy has been set up to do.
- 44 To enable other capital schemes to progress, the Property Investment Strategy has been removed from the current capital programme as agreed by Council on 16 November 2021. Therefore, currently no further investments within the strategy are able to take place.



- 45 A Property Investment Strategy Update report will be presented to Finance Advisory Committee in January and Cabinet on 10 February 2022.
- 46 **Variable fees and charges** - the Council receives income in fees and charges from a number of sources.
- 47 The assumption is currently for a 2.5% increase for all years except for off-street car parking which is 3.5% for five years (2019/20 - 2023/24). The additional 1% for car parking is one of the funding streams for the development of Sevenoaks Town (formerly Buckhurst 2) Car Park as agreed by Council on 22 November 2016.
- 48 It should also be noted that the car parking income budget for 2021/22 was not increased and it was agreed that the assumed inflation would be deferred until 2022/23.
- 49 **External Funding** - the Council has been very successful in securing external funding across a number of services, based on it delivering a wide range of innovative services to local residents, often in partnership with other agencies. The Council's officers continue to seek new opportunities for funding. As financial constraints are put on public services the funding available may reduce.
- 50 **Shared working** - Various services have included savings from shared working in recent years budgets. The Council successfully works in partnership with other authorities in a number of areas, including Revenues, Benefits, Internal Audit, Counter Fraud, Finance, Licensing, Civil Enforcement (Parking) and CCTV.
- 51 The largest savings were achieved when each shared service started, some of which were in 2010. The viability of continuing to share these services is reviewed on a regular basis to ensure that this Council receives value for money and the service standards it requires.
- 52 **Use of reserves** - One of the principles of the Financial Strategy is to make more effective use of the remaining earmarked reserves. When this strategy was first used in 2011/12, it was agreed that the remaining balances in the Asset Maintenance and Superannuation Fund Deficit Reserves would be moved to a new Financial Plan Reserve and used over the initial 10-year budget period. The Budget Stabilisation Reserve was also set up at the same time to manage the fluctuations between years to ensure that an overall balanced budget remained for the 10-year period. This reserve has been increased by surpluses achieved on the revenue budget in recent years.
- 53 A review of the reserves held is carried out each year as part of the budget process and that will take place again this year.
- 54 When the budget is set, the balance in the Budget Stabilisation Reserve must be sufficient to support the 10-year budget.

## Expenditure

- 55 **Pay** costs total £17m. Discussions between the National Employers for Local Government Services and the unions regarding the national pay award for 2021/22 are ongoing. The latest offer is a 1.75% increase which is 0.25% below the 2% assumption included in the budget approved by Council in February. However, the unions have not accepted this offer. Discussions regarding the pay award for 2022/23 have not yet commenced.
- 56 The assumption in the attached 10-year budget is a 2% increase in all years.
- 57 Members previously agreed that a budget would be set aside to address any recruitment and retention difficulties or challenges that arise going forward. This remains in place and will be used as required.
- 58 In September the Government announced that it will introduce a 1.25% Health and Social Care Levy based on National Insurance Contributions from 1 April 2022. This will impact the Council's staff costs by around £100,000 per annum as well as those of its contractors. The Government has stated that they will provide funding to offset this additional cost for Councils, but it is not yet known how this will work and if it will fully offset the cost.
- 59 **Superannuation fund** - the latest pension fund triennial valuation, which was the fourth by the actuaries Barnett Waddingham, took place in 2019.
- 60 The funding level has increased from 75.5% to 86.6% since the previous valuation in 2016 and the deficit recovery period for the fund has reduced from 17 years to 13 years. The 10-year budget includes the contribution amounts set by the actuaries for 2020/21 to 2022/23 and includes an additional £100,000 from 2023/24 when the next triennial valuation will come into effect and an additional £50,000 from 2026/27 for the following valuation.
- 61 **Non-pay costs** - The budget assumes non-pay costs will increase by an average of 2.25% in all years. In practice, items such as rates and energy costs often rise at a higher rate, so other non-pay items have been allowed a much lower inflation increase. Inflation is currently at 4.2% (CPI) and 6% RPI (as at October 2021). Bank of England economists have suggested inflation may reach 5% early in 2022, before it begins to reduce towards the 2% inflation target during the second half of the year.
- 62 **Asset Maintenance** - Any asset maintenance expenditure is funded by the revenue budget each year. Asset maintenance expenditure can fluctuate as the demand for programmed and ad hoc work varies across sites. A detailed review of the asset maintenance requirements for council owned properties was carried out in 2018/19. The asset maintenance budgets were reviewed again last year which resulted in the average yearly liability covered by the budget being 64%.
- 63 **Annual Savings** - an annual Net Savings/Additional Income assumption of £100,000 is included for all years in the 10-year budget.

- 64 **Unavoidable service pressures** - One of the lessons to be learnt from previous financial strategies is that there is always a likelihood of unavoidable service pressures and there needs to be a clear strategy for dealing with these. These are identified in the Service Change Impact Assessments (SCIAs) that can be reported to the Advisory Committees between September and November or to Cabinet in later budget reports.
- 65 These additional service pressures will, where possible, be absorbed within existing budgets. However, there is some likelihood that some pressures will be difficult to absorb, and Members will need to give these consideration as part of the budget process. However, it should be recognised that by having a 10-year budget there is greater scope to deal with these pressures and therefore have less impact on current services whereas other councils who only have single year budgets would have to make larger immediate savings.
- 66 **Progress on the savings plan** - 2022/23 will be the twelfth year of using the 10-year budget. During this period, 189 savings/additional income items have been identified totalling £7.7m. The majority of these savings/additional income items have already been achieved and Portfolio Holders, Chief Officers, Heads of Service and Service Managers have worked closely to deliver these savings.
- 67 **Changes since the 10-year budget started** - The table below shows how the Net Service Expenditure has changed since 2010/11. This shows that the budget has reduced by £4m (24%) in real terms.

<b>Net Service Expenditure</b>	<b>£000</b>
2010/11 (budget)	16,711
2021/22 (2010/11 budget +2% inflation per year)	20,778
2021/22 (budget)	16,783
Difference	3,995

- 68 **Appendix C** sets out a summary of the savings and growth items approved by Council since the 10-year budget strategy was first used in 2011/12. This has allowed the Council to deliver a 10-year balanced budget.
- 69 Savings proposals were presented to the Advisory Committees between September and November. These proposals are listed in **Appendix D** and further details supporting each proposal are contained in the Service Change Impact Assessments (SCIAs) in **Appendix E**.

## Feedback from the Advisory Committees

- 70 To assist the Advisory Committees in making additional suggestions for growth or savings for Cabinet to consider, Members were given a Service Dashboard and budget details for the services within their terms of reference.
- 71 Each Committee then decided which suggestions would be passed to Cabinet.
- 72 Provided at **Appendix F** is a list of the growth and savings suggestions from the Advisory Committees.
- 73 Members have previously been provided with training on the budget process. If Members require any further training or require any additional details on the content of the budget reports and appendices, they have been advised to contact Adrian Rowbotham or Alan Mitchell.

## Current 10-year Budget Position

- 74 The 10-year budget set out in **Appendix B** does not include any changes to assumptions from the version agreed by Council on 23 February 2021.
- 75 The 10-year budget includes an assumption that £100,000 of new net savings will be achieved. The current growth and savings proposals are listed in **Appendix D** and a Service Change Impact Assessment (SCIA) for each proposal is included in **Appendix E**.
- 76 If all of the proposed SCIA's are agreed, a further £157,000 of savings / additional income is required to achieve a balanced 10-year budget position.

<b>10-Year Budget if SCIA's agreed (total changes for the 10-year period)</b>	£000
Total 10-year budget change gap/(surplus)	-
Net savings assumption	1,000
SCIA's proposed:	
Savings	(450)
Growth	1,016
<b>Total 10-year budget change gap/(surplus)</b>	<b>1,566</b>
	<b>i.e. £157,000 per annum</b>

- 77 The further suggestions made by the Advisory Committees are listed at **Appendix F**. Service Change Impact Assessments (SCIA's) will be produced

for any of these suggestions that Cabinet wish to support and will be included in the Budget Update report to Cabinet on 13 January 2022.

- 78 The Cabinet will make its final recommendation on the 2022/23 budget at its meeting on 10 February 2022, after taking account of the latest information available at that date.
- 79 When looking at prospects for year 11 onwards, there is still likely to be a need to take further actions as these years come into the rolling 10-year period.

### **Collection Fund and Tax Base**

- 80 The 2022/23 tax base will be presented at Cabinet on 13 January 2022. At the same time, Members will be presented with an estimate of the Collection Fund balance as at 31 March 2022.

### **Capital**

- 81 A separate report on the capital programme will be presented later in the budget process recommending future capital schemes and changes to ongoing schemes.

### **2021/22 Outturn**

- 82 Supported by the Finance and Investment Advisory Committee, tight financial monitoring and control has been in place for a number of years and again for 2021/22. Given the constraints being placed on all budgets, and the savings planned, it will be essential to continue on this basis.
- 83 The latest 2021/22 monitoring report shows an unfavourable forecast position of £26,000 against a net revenue budget of £17.015m.

### **Consultation**

- 84 A resident survey was carried out during September 2021.
- 85 Residents were asked if they agreed with the following Council budget priorities:
- The Council should continue to generate income to help pay for the services it provides to residents - 87% agreed.
  - The Council should continue to change and improve the way it provides services to make them more efficient - 96% agreed.
  - The Council should always look to make savings from the back office and bureaucracy so it can continue to invest in services used by the public - 93% agreed.

- 86 These views from our resident's indicate support for the Council's financial strategy and steps it is taking to deliver long-term financial health through our 10-year balanced budget.

## **Key Implications**

### Financial

All financial implications are covered elsewhere in this report.

### Legal Implications and Risk Assessment Statement.

There are no legal implications.

For the effective management of our resources and in order to achieve a sustainable budget it is essential that all service cost changes and risks are identified and considered.

Current and future challenges together with risks were included in the Service Dashboards presented to the Advisory Committees and each Service Change Impact Assessment (SCIA) includes the likely impacts including a risk analysis.

An effective integrated policy and priority driven long-term financial and business planning process is required for the Council to deliver on its priorities and maintain a sustainable budget. It is also essential that continuous improvements are identified and implemented in order to take account of the changing climate within which the Council operates and to meet the expectations of both Government and the public on the quality of service demanded from this Council.

The risks associated with the 10-year budget approach include uncertainty around the level of shortfall and the timing of key announcements such as future changes to Business Rates Retention. The risk will be mitigated by continuing to review assumptions and estimates, remaining financially self-sufficient and by updating Members throughout the process.

### Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

Individual equality impact assessments have been completed for all Service Change Impact Assessments (SCIAs) to ensure the decision-making process is fair and transparent.

### Net Zero Implications

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030.

Individual net zero implication assessments have been completed for all Service Change Impact Assessments (SCIAs).

### **Conclusions**

The Financial Strategy and 10-year budget process have ensured that the Council follows a logical and well considered process and approach in dealing with the many difficult financial challenges that it has faced. They have also helped to ensure that the Council is well placed in dealing with more immediate and longer-term challenges.

By becoming financially self-sufficient at an early stage, this Council has become much more in control of its own destiny.

The attached 10-year budget shows that this Council is aiming to continue to be financially stable going into the future with a level of assurance that any council would aspire to.

This budget process will once again be a challenge for a Council that already provides value for money services to a high standard; and ensuring that these proposals lead to an achievable 10-year budget, Members will need to consider the impact on service quality, staff and well-being.

## **Appendices**

Appendix A - Budget Timetable

Appendix B - 10-year Budget

Appendix C - Summary of the Council's agreed savings and growth items

Appendix D - New savings proposals presented to the Advisory Committees

Appendix E - Service Change Impact Assessment forms (SCIAs) for the new growth and savings proposals in Appendix D

Appendix F - Further growth and savings suggestions from the Advisory Committees

Appendix G - Financial Strategy

## **Background Papers**

Report to Cabinet 16 September 2021 - Financial Prospects and Budget Strategy 2022/23 and Beyond

Report to Housing and Health Advisory Committee 28 September 2021, People and Places Advisory Committee 6 October 2021, Improvement and Innovation Advisory Committee 7 October 2021, Cleaner and Greener advisory Committee 12 October 2021, Development and Conservation Advisory Committee 19 October 2021, Finance and Investment Advisory Committee 4 November 2021 - Budget 2022/23: Service Dashboards and Service Change Impact Assessments (SCIAs)

**Adrian Rowbotham**

**Deputy Chief Executive and Chief Officer - Finance & Trading**