

Budget Setting Task and Finish Panel
11 January 2023

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the BUDGET SETTING TASK AND FINISH PANEL held on Wednesday 11 January 2023 at 6.30 pm in the via Teams

PRESENT: Councillors J.Broach (Chairman)
F.Marsh, G.Michaelides and P.Smith

OFFICIALS R.Baker, Executive Director (Finance & Transformation)
PRESENT: H.O'Keeffe, Assistant Director (Finance)

9. APOLOGIES AND SUBSTITUTION OF MEMBERS

An apology was received from Councillor Jonathan Boulton.

10. MINUTES

The minutes from the meeting on 7 December 2022 were confirmed as a correct record.

11. PRESENTATION FROM OFFICERS

Officers ran through an update on changes since the last meeting.

Government grants were announced on 21 December and were as expected:

- New Homes Bonus will be retained for 2023/34 at £288k, and will be retained in a revised form for 2024/25
- Lower tier services grant is to be redistributed to ensure spending power has a 3% rise before decisions on tax or reserves (now called a Funding Guarantee Grant) – this is £616k
- Service grant is to be retained but reduced for the reversal of the NI increases (which make up a large proportion of the grant) - £113k

Regarding the HRA, the new update to members was that the 30 year business plan is now complete, which shows borrowing repayment at year 29 of the plan (previously this was year 24). The main factors are the rent cap and inflation.

As an update to the Capital Programme, the General Fund now includes £852k from the Revenues and Benefits Transformation.

General Fund additional proposals and changes since the December meeting:

- Revenues and Benefits – re-procurement £220k savings per annum
- Building controls income – income of £12k per annum
- Increase in service reviews in Place - £99k per annum
- Allotment fees – review of charges £29k additional income per annum
- Review of borrowing costs - £200k

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With no changes to Growth the overall remaining gap of £1.8m has been met through additional funding, additional savings and use of reserves (approx. 1/3 each)

Taking the net impact of savings, the use of reserves is proposed as £615k – taking the reserves from the current £4.9m to around £4.3m. The minimum reserves has been reassessed and increased to £3.9m to take into account the increased uncertainty, and the greater risks in the budget associated with a higher level of efficiencies in particular those linked to income generation.

	2043/25 £m	2025/26 £m	2026/27 £m
Budget Gap – upside risk	1.1042	2.317	3.443
Budget Gap – standard approach	2.125	4.335	5.730
Budget Gap – downside risk	4.329	7.327	9.139

12. DISCUSSION ON PROPOSALS

Members thanked the officers for the work done so far and ongoing with the budget.

It was noted that Cabinet considered the budget proposals on 10 January 2023.

Members expressed concern about some large percentage increases in Fees and Charges, while recognising the need to have looked at these to balance the budget. Members raised that there may be a reduction in some service uptake as a result of Fees and Charges increases, eg on garden waste. Officers confirmed that an estimate for reduced uptake has been included in the budget calculations.

13. RECOMMENDATIONS TO OVERVIEW AND SCRUTINY COMMITTEE

The Budget Task and Finish Panel will recommend to the Committee that the budget is put forward to Cabinet with no proposed changes.

Meeting ended at 7.05 pm
AM