

Report to Stronger Council Select Committee



Date of meeting: 24th January 2023

Subject: Draft Budget 2023/24 (including General Fund & HRA Revenue & Capital, Fees & Charges and updated Medium-Term Financial Plan)

Portfolio Holder: Finance, Qualis Client & Economic Development – Cllr. John Philip

Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)

Democratic Services Officer: Adrian Hendry 01992 564246

Recommendations/Decisions Required:

- 1. To consider the Cabinet's draft Budget proposals for 2023/24 as set out in the attached paper; and**
- 2. Make such comments and/or recommendations as the Committee feels appropriate to assist the Cabinet in further considering the Budget on 6th February 2023, when they will agree final proposals for recommendation to full Council on 28th February 2023.**

Executive Summary:

Cabinet considered early draft Budget proposals for 2023/24 at its meeting on 20th December 2022 (rearranged from 12th December 2022). The full report included revenue and capital proposals for both the General Fund and Housing Revenue Account as well as a schedule of suggested Fees and Charges for the forthcoming financial year. An updated Medium-Term Financial Plan (MTFP) covering the financial years 2023/24 through to 2027/28 was also included, which reflected both the impact of the draft Budget proposals as well as the latest available intelligence at the time.

In recognising the important role of scrutiny in developing a robust budget, the Cabinet also requested that the Stronger Council Select Committee considers the draft Budget proposals for 2023/24, as well as the associated documents.

The Cabinet were advised by the Section 151 Officer at the December meeting that – as required by law – a balanced revenue position (eliminating a previously identified projected deficit of £4.126 million) had provisionally been reached for 2023/24 and that the medium-term financial position, although having a similar profile, had some differences compared to the position presented on 10th October 2022 (and subsequently to this Committee on 24th November 2022), with a particular challenge still anticipated in 2024/25 and 2025/26 as a consequence of the forthcoming new Waste Management Contract. Some significant uncertainties remained however, especially as the annual Settlement for 2023/24 had yet to be announced by the Government at that stage.

The provisional Local Government Finance Settlement 2023/24 was eventually released just before Christmas 2022; the outcome for Epping Forest District Council was generally as expected and provided further assurance as to the underlying financial sustainability of the draft Budget proposals as currently presented. Officers will provide a verbal update on the Settlement to the Committee to provide further context and insight into the Budget proposals and the Council's medium-term financial position.

The full Budget report considered by the Cabinet on 20th December 2022 (rearranged from 12th December 2022) is presented in **Attachment 1**.

In addition – in order to further assist the scrutiny process – a more detailed analysis of the draft savings proposals that are embedded in the Budget (Paragraph 2.3 of Appendix A, Attachment 1) has been prepared and is presented in **Attachment 2**.

Reason for Decision:

This report facilitates the scrutiny of the initial draft Budget proposals for 2023/24, which will support the Cabinet in further developing, and recommending final proposals, for adoption by full Council on 28th February 2023.

Comments and/or recommendations made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 6th February 2023.

Options:

There are no matters for decision in this report. The Committee is asked to consider the and make comments and/or recommendations for consideration by Cabinet.

Resource Implications:

The resource implications in this report are overwhelmingly financial in nature and are explained in detail.

Legal and Governance Implications:

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. This report presents initial draft budget proposals that reflect a balanced position for 2023/24, although they are based on a series of estimates and assumptions that still require further refinement.

Safer, Cleaner, Greener Implications:

There are no SGS implications.

Consultation Undertaken:

The updated Medium-Term Financial Plan (MTFP) 2023/24 to 2027/28 – including a projected General Fund deficit of £4.126 million for 2023/24 – was presented to the Stronger Council Select Committee on 24th November 2022; the comments from that meeting were considered by Cabinet alongside the draft Budget proposals presented at their meeting held on 20th December 2022. Comments and/or recommendations made by the Stronger Council Select Committee on this report will be taken forward for Cabinet consideration on 6th February 2023.

Background Papers:

As presented in attachments and appendices.

Risk Management

The consideration of risk forms an integral part of the development of the draft Budget proposals. In particular, the Budget (and updated MTFP) is based on a series of estimates and assumptions that are informed by a range of intelligence sources (some certain, some uncertain); that process, including any residual risk in the decision-making process, is clearly indicated where appropriate.