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| Committee: | Cabinet | Date: |
| Title: | Medium Term Financial Strategy 2022 - 2027 and Budget Proposals - 2022/23 | Thursday, 10 February 2022 |
| Portfolio Holder: | Portfolio Holder for Finance and Budget Cllr. Neil Hargreaves | |
| Report Author: | Angela Knight, Assistant Director - Resources aknight@uttlesford.gov.uk | Key decision: N |

Summary

1. The Council is required to prepare detailed budget reports to enable the annual budgets for the General Fund and Council Tax, Housing Revenue Account and the Capital Programme to be set.
2. The Section 151 Officer is also required to provide members with a Section 25 report giving advice and assurance on the reserves position, including the minimum safe level of contingency funds that need to be held and the robustness of any estimates used in the calculation of the proposed budgets. The report also provides commentary on the assumptions in the Medium Term Financial Strategy and any associated plans and strategies.
3. In addition, the council is required to prepare a number of supporting strategies:
 - Medium Term Financial Strategy
 - Treasury Management Strategy
 - Commercial Strategy
 - Capital Strategy
4. The Council is required to consider and approve the Council Tax Resolution for 2022/23 which sets the combined Band D equivalent for all preceptors.
 - Essex County Council
 - Police, Fire & Crime Commissioner for Essex – Policing and Community Safety
 - Police, Fire and Crime Commissioner for Essex - Fire and Rescue Authority
 - Uttlesford District Council
 - Town and Parish Councils
5. The Commercial Strategy is scheduled to be presented to the Investment Board ahead of the budget setting meetings. The Housing Rent and Service Charges for the Housing Revenue Account have been to the Tenants Forum and the Housing Board and were supported by both.
6. The Scrutiny Committee will review all the reports at their meeting on the 3 February and the Chair of the Committee will update the Cabinet with a verbal statement at the meeting on the 10 February.

Recommendations

7. The Cabinet is requested to recommend the budget strategies and reports for 2022/23 as set out in Appendices A to H of this report and the associated Annexes for Approval by Council.
8. The reports and individual recommendations to be presented to Cabinet are set out in the table at the end of this report.

Financial Implications

9. All financial implications are included in the individual reports and strategies

Background Papers

10. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2022-to-2023>

Impact

- 11.

| | |
|---------------------------------|---------------------------------|
| Communication/Consultation | Members, CMT and Budget Holders |
| Community Safety | N/A |
| Equalities | N/A |
| Health and Safety | N/A |
| Human Rights/Legal Implications | N/A |
| Sustainability | N/A |
| Ward-specific impacts | N/A |
| Workforce/Workplace | N/A |

| Report Title | Purpose of report | Recommendations |
|---|---|---|
| Appendix A Section 25 Report - Robustness of Estimates and Adequacy of Reserves | This is a statutory report provided by the S151 Officer, this report provides members with advice and assurances on reserves, safe levels of contingency, assumptions used for estimates and any associated risks. | <ul style="list-style-type: none"> I. Take account of the advice in the report when determining the 2022/23 General Fund budget and Council Tax II. Review the risk assessment relating to the robustness of estimates as detailed in the report III. Set the minimum safe contingency level for 2022/23 at £1.597 million for the General Fund and £0.546 million for the Housing Revenue Account IV. Agree that no transfers to or from the Working Balance should be built into the 2022/23 budget |
| Appendix B Commercial Strategy | Sets out good practice as per guidance relating to Local Authorities commercialisation and investment activity. | V. Cabinet recommends the approval of the Commercial Strategy 2022 - 2027 |
| Appendix C Medium Term Financial Strategy | Details all known factors affecting the financial position of the council over a 5 year period, providing a clear and concise view of future sustainability and resilience, allowing for effective longer term planning | VI. Cabinet recommends the approval of The Medium Term Financial Strategy and note the Budget Consultation report. |
| Appendix D Treasury Management Strategy | Sets out the strategy and governance relating to the council's cash-flow management, use of banks, investments and borrowing, taking into account guidance from our independent advisors and risk appetite | VII. Cabinet recommends the approval of the Treasury Management Strategy |

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| Appendix E Capital Strategy | An overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability | Cabinet recommends the approval of VIII. the Capital Strategy IX. the Minimum Revenue Provision (MRP) Policy |
| Appendix F Capital Programme | Sets out capital expenditure and the associated financing over a 5 year period for the council's assets, including buildings, vehicles and ICT infrastructure. | X. Cabinet recommends the approval of the 5 year Capital Programme |
| Appendix G Housing Revenue Account (HRA) | Details the spending plans for council housing for 2022/23 | Cabinet recommends the approval of XI. the Housing Revenue Account budget for 2022/23 XII. increases of 4.9% for <ul style="list-style-type: none"> • Housing and Supported Accommodation rents • Garage Rents • Lifeline Service XIII. Increases in line with actual costs for <ul style="list-style-type: none"> • Housing Related Support charges • Intensive Housing Management charges • Heating, Service and Sewerage charges XIV. the updated use of reserves |

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|---|---|---|
| Appendix H General Fund Revenue and Council Tax | Details all the income, expenditure and use of reserves during the financial year 2022/23, sets out the proposals for the council's council tax precept | Cabinet recommends the approval of XV. the General Fund Budget for 2022/23 XVI. the General Fund Council Tax requirement of £6,403,772 XVII. the transfer of reserves including the deficit for 2022/23 to be drawn from the MTFs reserve in the Core Reserves XVIII. the schedule of fees and charges as set out in Annexe H6 XIX. that delegated authority is given to the Director of Finance and Corporate Services to amend the trade waste fees. |
| <i>Appendix I Council Tax Resolution (Council Only)</i> | <i>Sets out the combined and individual Council Tax Band D equivalent for all preceptors, for the financial year 2022/23</i> | <i>XX. Approve the Council Tax Resolution for 2022/23</i> |

Risk Analysis

| Risk | Likelihood | Impact | Mitigating actions |
|---|------------|--------|--------------------|
| All risks are Included in the individual appendices | | | |

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.