

Report of the Treasurer and the Chief Fire Officer

Budget and Precept 2022/23 and Medium-Term Financial Plan – Additional Information

Purpose of report

1. To update the information and recommendations in the original report to reflect the impact of the confirmed local government finance settlement and late receipt of Business Rate information, both of which have had a positive impact on the Authority's financial position.

The relevant appendices have been updated and the original appendices 3 to 8 should be replaced by the new appendices 11 to 16. Paragraph numbers in the recommendations refer to paragraphs in the original report. Figure in the recommendations that have changed have been identified with a box around them.

Recommendation

It is recommended that: -

- i) the Capital Strategy (paragraphs 13-27) be approved;***
- ii) the Capital Budget and Programme (Appendix 1) be approved;***
- iii) the Core Net Revenue Budget of £36,853,000 (Appendix 11) be approved;***
- iv) the Medium Term Financial Plan (Appendix 13) be approved;***
- v) the Authority calculates that under the provisions of the relevant sections of the Local Government Finance Act 1992 (as amended), and, in relation to the year 2022/23 as set out in Appendix 15:***
 - a) the aggregate expenditure it will incur [S42A(2)(a)] will be £36,928,800.00;***
 - b) the aggregate income it will receive [S42A(3)(a)] will be £11,266,646.00;***
 - c) the amount transferred to financial reserves [S42A(2)(c)] will be £208,432.00;***
 - d) the amount transferred from financial reserves [S42A(3)(b)] will be £49,000.00;***
 - e) the net collection fund surplus [S42A(10)] is £253,207.70;***

f) the net amount of its Council Tax Requirement [S42A(4)] will be £25,568,078.30;

g) the basic amount of Council Tax [S42B] will be £89.40 (Band D);

h) the proportional tax-bands [S47] will be:

• Band A	£59.60
• Band B	£69.53
• Band C	£79.47
• Band D	£89.40
• Band E	£109.27
• Band F	£129.13
• Band G	£149.00
• Band H	£178.80

i) the precept demands on the individual Billing Authorities [S48] are:

• Bromsgrove	£3,353,491.52
• Herefordshire	£6,280,582.13
• Malvern Hills	£2,871,451.56
• Redditch	£2,373,271.31
• Worcester	£2,908,024.25
• Wychavon	£4,721,986.20
• Wyre Forest	£3,059,271.33

vi) the Reserves Strategy (paragraphs 69-77 and Appendix 16) be approved;

vii) the Investment Strategy (paragraphs 78-83) be approved;

viii) the fees and charges for 2022/23 (Appendix 9) be approved; and

ix) the Statement of Prudential Indicators and Minimum Revenue Provision Policy (Appendix 10) be approved.

Introduction and Background

2. At the date of issue of the original Report it was noted that Business Rate information was still awaited from Bromsgrove and Redditch Councils, and that an estimated had been made. The information was finally received late on 4th February and is significantly better than had been estimated. The positive impact is around £0.3m
3. In addition, the Report was issued before the final confirmation of the local government finance settlement. Usually there is no change from the provisional settlement but this year government has changed the way it calculates the grant paid in compensation for not increasing the Business Rate poundage. This has resulted in the Authority receiving approximately an additional £0.1m.

4. These improvements have a significant impact on the budget position, to the extent that there is now a balanced budget across the CSR period, with small surpluses in the first two years.
5. To make the picture clear, the relevant appendices have been updated and original Appendices 3 to 8 should be replaced by new appendices 11 to 16. Changes from the original figures are indicated with an "X" and the recommendations revised to refer to the new Appendices where applicable.

Conclusion

6. The positive changes to funding have produced a small surplus in 2022/23 and 2023/24. As members have expressed concern about the impact of construction industry inflation on the Major Buildings Programme, it is suggested that these one-off gains are held against these potential future costs. This does not in itself give approval to spend more on individual schemes but provides funding to allow that to happen if and when additional expenditure is authorized.
7. Discounting the "unknown-unknowns" the Authority is in a stable financial position for the next few years at least.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Yes – amendments to whole of original report
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Yes – Resourcing for the Future
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	No
Consultation (identify any public or other consultation that has been carried out on this matter)	Yes – consultation with Business Rate-payers as required by legislation
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	No
Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling)	