

Written statement of a budget and policy framework decision

Title	2022/23 Budget setting
Decision maker	<p>* Cabinet for recommendation to: Council</p> <p>* Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251</p>
Date of decision	31 January 2022
Report exemption class	Open
<p>A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.</p>	
General exception or special urgency (as defined in the constitution)	No
Purpose	<p>To recommend to Council the proposed 2022/23 budget and associated medium term financial strategy and treasury management strategy for recommendation to Council 11 February.</p> <p>The proposed budget reflects current and expected service delivery requirements and the provisional local government settlement announced on 16 December 2021. Overall the base budget for 2022/23 is proposed to increase to fund budget pressures. Savings of £2.6m are required in 2022/23 and an increase in council tax of 2.99% (inclusive of 1% adult social care precept) is proposed to deliver a balanced budget.</p> <p>The draft medium term financial strategy (MTFS), attached at appendix A, has been updated to reflect current assumptions on future years funding and service requirements in line with the County Plan.</p> <p>The treasury management strategy, attached at appendix D, includes the proposed borrowing and investment strategy, the council's expected minimum revenue provision and the associated prudential indicators which demonstrate that the council's proposed capital investment budget is affordable, prudent and sustainable.</p>

Decision	<p>a) That cabinet approve the responses to scrutiny committee recommendations set out in the supplementary paper; and</p> <p>b) That the following be recommended to Council:</p> <ul style="list-style-type: none"> i. The council tax base of 70,252.52 Band D equivalents in 2022/23; ii. an increase in core council tax in 2022/23 of 1.99%; iii. an additional precept in respect of adult social care costs of 1% applied to council tax in 2022/23 resulting in a total council tax increase of 2.99%, increasing the band D charge from £1,652.30 to £1,701.70 for Herefordshire Council in 2022/23; iv. the balanced 2022/23 revenue budget proposal totalling £175.1m, subject to any amendments approved at the meeting, specifically the net spending limits for each directorate as at appendix C, amended to include the additional funding proposals of £500k to be added to the discretionary Housing Payment scheme budget and £296k to be added to general reserves; v. the use of the new service grant one off funding in 2022/23 to support the economy and environment three year savings delivery plan; vi. to use the one off collection fund surplus of £1.3m to fund property services budget costs in 2022/23; vii. delegates to the section 151 officer the power to make necessary changes to the budget arising from any variations in central government funding allocations via general reserves; viii. the medium term financial strategy (MTFS) 2022-25 at appendix A; ix. the treasury management strategy at appendix D be approved.
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50039846</p>
Options considered	<p>1. It is open to Cabinet to recommend alternative spending proposals or strategies; however, given the legal requirement to set a balanced budget, should additional expenditure be proposed compensatory savings proposals must also be identified. If it is proposed to spend less, the impact on service delivery of the proposed reduction should be considered.</p>

	2. Cabinet can agree a council tax increase above the referendum principle levels. This is not recommended as doing so would require the increase to be subject to a local referendum, incurring additional costs to the council.
Declarations of interest (see ▪ below)	
Call-in expiry date	Budget and policy framework item Under part 4, section 3 of the constitution, this decision is not subject to the usual call-in procedure as it is a budget and policy framework item and therefore must be decided at a meeting of the full Council.

Councillor: Leader of the Council (Councillor D Hitchiner)	Date 31 January 2022
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted.