

Report to:

**Joint Scrutiny & Overview Committees**



Date of Meeting 12<sup>th</sup> January & 17<sup>th</sup> January 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release . N/A

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**Draft Revenue and Capital Budgets 2022/23**

**Report summary:**

This report presents the draft revenue and capital budgets for 2022/23 as adopted by Cabinet on 5<sup>th</sup> January 2022. The Scrutiny and Overview Committees are asked to consider that draft budget and make recommendations for Cabinet to consider on 2<sup>rd</sup> February 2022 when making final budget proposals to recommend to Council.

The draft budget report and linked background papers presented to Cabinet are attached.

Specific recommendations are sought from the Joint Committees on the draft budget including the proposed Council Tax level for 2022/23. The draft budget currently requires £323k to be taken from the General Fund balance, it is estimated this will retain the Fund within the adopted range but does create a risk in taking it to the lower end of the range. By not addressing this deficit sum in the 2022/23 budget the amount will be added to the budget deficit that will be required to be found in 2023/24.

The report asks Members to consider a revised increase in prime car parks which will then negate the need to use the Fund Balance and the requirement to find this deficit in the 2023/24 budget process. If agreed, raising the hourly charge from the approved £1.20 in April 2022 to £1.50 will generate an estimated additional income of £339k balancing the books for 2022/23.

The Cabinet in debating the draft budget made a positive proposal to increase the car park hourly charge to £1.50 for prime car parks from April 2022 in order to meet the budget deficit. Also to help the future budget position a 10p per hour increase in the then following three years on those car parks.

A number of increased costs have led to the position of requiring the General Fund Balance to be used as detailed in the budget report, including significant cost rises in recycling and waste collection. The report also highlights areas where requests for funding have not been provided in the draft budget as they are unaffordable and members will need to consider the associated implications.

**Is the proposed decision in accordance with:**

Budget                      Yes  No

Policy Framework      Yes  No

## **Recommendation:**

**That the draft revenue and capital budgets for 2022/23 are considered by the Scrutiny and Overview Committees with recommendations on its approval or any amendments being made to Cabinet.**

## **Reason for recommendation:**

There is a requirement to set a balanced budget and to levy a Council Tax for 2022/23

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

## **Equalities impact** Low Impact

An analysis of budget changes has not highlighted areas that give rise to any equality issues that need highlighting. Key service changes have been addressed in separate reports to members and implications have been considered.

## **Climate change** High Impact

The budget approval gives the Council the resources necessary to undertake its business which will significantly contribute to the carbon footprint of the Council. The Council is committed to reducing its carbon net emissions to zero by 2040 and resources have been factored into the budget to meet this priority.

## **Risk:** Low Risk;

Risks have been considered in preparing the budgets and the financial implications have been assessed at the point of preparation. Various budget assumptions have been made including the treatment of inflation and interest rates; estimates on the level and timing of capital receipts; the treatment of demand led pressures; the treatment of planned efficiency savings/productivity gains; levels of income; financial risks inherent in any new arrangements; capital developments; the availability of funds to deal with major contingencies and the need for any provisions. In each of these areas the Council's financial standing, management and track record have been considered in order to prepare robust budget proposals. Other specific areas of risk have been highlighted where appropriate within the report.

## **Links to background information**

Draft Revenue and Capital Budget 2022/23 report (with background links) presented to Cabinet on 5<sup>th</sup> January 2022

## **Link to [Council Plan](#)**

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

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## **Financial implications:**

Details are contained in the report

## **Legal implications:**

No legal observations are required