

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF THE CORPORATE POLICY AND PERFORMANCE COMMITTEE ON 1 SEPTEMBER 2021

**SUBJECT:** Budget 2022/23 Process

**REPORT AUTHOR:** Carolin Martlew, Interim Group Head for Corporate Support

**DATE:** August 2021

**EXTN:** 37568

**AREA:** Corporate Support

**EXECUTIVE SUMMARY:**

The report provides a summary of the budget process for 2022/23 for Members' consideration.

**RECOMMENDATIONS:**

The Committee is requested to:

To approve the Budget process for 2022/23.

**1. BACKGROUND:**

- 1.1. The budget setting process for the General Fund, Housing Revenue Account and Capital was well established under the previous governance arrangements commencing with the Financial Prospects report in the autumn which was considered by Cabinet. The Financial Prospects Report in addition to the medium term financial forecast set the budget parameters for the following year. The budget was completed and subject to scrutiny by the Overview Select Committee before consideration by Cabinet and approval by Full Council in February.
- 1.2. The budget for 2022/23 will be the first to be completed under the new Committee system form of governance. The relevant budget will therefore have to be considered by each Service Committee before the full Budget is considered by this Committee on 10 February 2022 before approval by Special Council on 23 February 2022.

**2. PROPOSAL(S):**

- 2.1 The purpose of this report is to inform Members of the budget process for 2022/23.

- 2.2 Members are aware that the Council continues to face net expenditure pressures due to the unprecedented financial uncertainty over Government funding, the economy which has been compounded by the COVID-19 crisis and also Brexit. Brexit continues to cause issues, especially since the UK's official departure from the EU on 31 December 2020.
- 2.3 Members will be updated with the most up to date information when the Financial Prospects Report is considered by this Committee on 14 October 2021. It should be stressed that the Financial Prospects Report only covers the General Fund and that the Housing Revenue Account has its own business plan and financial model. The HRA Business Plan is due to be considered by the Residential and Wellbeing Services Committee on 2 December 2021. The Financial Prospects Report will confirm the budget parameters for 2022/23.
- 2.4 It is accepted that within the resource constraints there is the requirement for some resource switching to enable the Council's priorities to be progressed and to meet new statutory requirements. Committees will therefore be consulted on the budget, taking account of the medium term requirement to make savings and that any growth should be minimised and met from resource switching where possible.
- 2.5 The budget guidelines issued will run parallel with any savings initiatives that are being worked on.
- 2.6 The budget resource switching parameters for 2022/23 are:
- Growth will only be allowed in essential/priority areas
  - Proposals should aim to be cost neutral
  - Proposals should clearly identify any expenditure savings and Income generating ideas where appropriate.
- 2.7 It should be noted that reports that require resource switching can be considered by Committees at any time during the year. However, significant permanent resource switching requires approval by Full Council as part of the formal budget setting process.
- 2.8 The key dates for the Budget 2022/23 process are summarised below:

<b>Budget Consultation Reports</b>	<b>Date</b>
Environment and Neighbourhood Services Committee	23 September 2021
Corporate Support Committee	28 September 2021
Residential and Wellbeing Services Committee	30 September 2021
Planning Policy Committee	6 October 2021
Economic Committee	12 October 2021
<b>Financial Prospect Report General Fund (CPPC)</b>	<b>14 October 2021</b>

<b>Budget Reports</b>	
Corporate Support Committee	18 January 2022
Economic Committee	19 January 2022
Environment and Neighbourhood Services Committee	20 January 2022
Residential and Wellbeing Services Committee	24 January 2022
Planning Policy Committee	25 January 2022
Corporate Policy and Performance Committee	10 February 2022
<b>Special Council</b>	<b>23 February 2022</b>

### 3. OPTIONS:

N/A The budget has to be set within statutory deadlines.

### 4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify) <ul style="list-style-type: none"> <li>• Leader of the Council</li> <li>• Group Leaders</li> </ul>		✓
<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>	<b>YES</b>	<b>NO</b>
Financial	✓	
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability	✓	
Asset Management/Property/Land	✓	
Technology		✓
Other (please explain)		✓

### 6. IMPLICATIONS:

The budget will form the main reference point for financial decisions made in 2022/23 and the process has to comply with the Constitution.

**7. REASON FOR THE DECISION:**

To ensure that Members are fully informed about the budget process for 2022/23 as required by the Council's Constitution.

**8. BACKGROUND PAPERS:**

Constitution