

2022/23 REVENUE AND CAPITAL BUDGET APPROVAL

AGENDA ITEM NO 10

MEETING: POLICY AND RESOURCES

DATE: 19TH JANUARY 2022

REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

- 1.1 The purpose of this report is to seek approval from Members for the Council's 2022/23 Revenue and Capital Budget.
- 1.2 The approval of the 2022/23 Revenue and Capital Budget at this meeting will enable the 2022/23 Precept and Town Council Tax to be set at the Council meeting next week.

2.0 Background to the Report

- 2.1 Members considered and approved the draft Revenue and Capital Budget at the meetings of the Recreation and Environment Committees on 13th October 2021 and the Policy and Resources Committee on 20th October 2021.
- 2.2 These reports provided the background to and the detail behind the initial development of the 2022/23 Revenue and Capital Budget.
- 2.3 A brief reminder of the key issues from the consideration and approval of the draft 2022/23 Revenue and Capital Budget is set out in the following section of the report for Members' information.

3.0 2022/23 Draft Revenue and Capital Budget

- 3.1 The draft 2022/23 Revenue Budget was prepared on the basis of 'business as usual', for the next financial year, and on the principle of continuing to provide all Council services, facilities and events and maintaining current standards of service.
- 3.2 The draft 2022/23 Revenue Budget also reflected the established principle of safeguarding the Council's balances and reserves and continued to include surplus resources via a contingency sum and contribution to capital reserves.
- 3.3 The draft 2022/23 Revenue Budget was approved on the basis of a 1.99% increase in the Town Council Tax. This would increase the Town Council Tax at Valuation Band A by £3.32 per year from £166.72 to £170.04.

- 3.4 With regards to the draft 2022/23 Capital Programme Budget, it was agreed that capital investment would continue to be closely scrutinised and controlled to protect the Council's balances and reserves moving forward, and as such only essential capital investment mainly linked to the delivery of the Council's Asset Management Plan was included.
- 3.5 A draft 2022/23 Capital Programme Budget totalling £275,600 was subsequently approved which represents around half the level of the 2021/22 Capital Programme Budget.
- 3.6 Members will recall that it was stressed at the time the draft budget was approved, that the budget proposals were subject to change in relation to a number of ongoing issues and possible future developments including:-
- the final notification of the Council Tax Support Grant and Council Tax Base figures;
 - the impact of ongoing Coronavirus pandemic;
 - the impact of the crisis in relation to utility costs
 - the impact of increased insurance premiums
 - increasing inflationary pressures
- 3.7 It was highlighted that the Council would need to respond to the latest situation in relation to these issues, as well as any other unforeseen developments, prior to the final budgets being approved and the Precept being set in January.
- 3.8 The following sections of this report will therefore concentrate upon the latest situation in relation to any outstanding budget issues and new developments since the draft budgets were approved and highlight how these have impacted upon the final 2022/23 Revenue and Capital Budget and the proposed 1.99% increase in the Town Council Tax.

4.0 Final 2022/23 Revenue Budget Proposals

- 4.1 The draft 2022/23 Revenue Budget proposals, as reported to the October cycle of Committee meetings, included detailed commentary on the key budget changes relating to each individual service revenue budget, and it is not intended to repeat any of this information.
- 4.2 This report will concentrate instead on the outcome of the various outstanding issues, as well as any new developments since the draft budget was approved, and the changes that have subsequently needed to be made to the draft Revenue Budget.
- 4.3 The final 2022/23 Revenue Budget has been updated to take into account the financial impact of the following issues:-
- Final notification of the Council Tax Support Grant figure for 2022/23 from Durham County Council;
 - Final notification of the 2022/23 Council Tax Base figure from Durham County Council;
 - Changes to staffing budgets to incorporate any staffing changes or recent recruitment exercises;

- Increases in insurance premiums as a result of the current 3-year long-term agreement expiring at the end of June 2022;
- The impact of the current crisis in relation to energy costs and likely substantial increases in gas and electricity costs;
- General inflationary pressures as a result of the increase in the consumer price index to 5%;
- Any approved changes agreed by the Council following the consideration of the draft budgets at the previous meetings;
- Consideration and incorporation of any feedback received from individual Members following those meetings;
- Consideration of feedback from the local community in response to the online budget survey;
- Adjustments to the budget figures to take account of the latest income and expenditure projections for the current financial year;
- Adjustments to budget figures to take account of any other new developments.

4.4 The outcome and final financial impact of each of the above issues is provided in the following section of the report.

2021/22 Local Government Pay Award

4.5 The Local Government Pay Award for the current financial year has unfortunately yet to be agreed between the National Joint Council for Local Government Services (NJC) and the local government unions.

4.6 The local government unions have made a claim for a 10% increase in pay for local government workers.

4.7 However, this level of increase is very unlikely to be affordable for councils and the National Joint Council for Local Government Services therefore made a full and final offer in August 2021 of:

- A 2.75% on NJC pay point 1 with effect from 1 April 2021
- A 1.75% increase on all NJC pay points 2 and above with effect from 1 April 2021

4.8 The budgetary control projected outturn for 2021/22 includes a provision for a pay award of 1.75% as per the above.

2022/23 Local Government Pay Award / National Insurance Increase

4.9 The Council's draft 2022/23 Revenue Budget provided for a pay increase of 2.5% for all staff.

4.10 If a higher pay award was subsequently agreed for 2022/23, this would need to be funded via use of the contingency sum.

4.11 The 1.25% increased employers national insurance contributions from 1st April 2022 has been included in the 2022/23 budget.

Other Revenue Budget Changes

- 4.12 There has been a saving to the staffing budget following the recent recruitment exercise for the Corporate and Policy Officer post, with the new officer commencing work at a lower point on the salary grade.
- 4.13 There will be significant increases in insurance premiums as a result of the current 3-year long-term agreement expiring at the end of June 2022. Advice from the Council's insurance provider indicates that the main insurance policy is likely to increase by around 20% on current premiums and the vehicle insurance policy by 5%. These increases have now been incorporated into the 2022/23 Revenue Budget figures.
- 4.14 As Members are aware there is an ongoing crisis in relation to energy costs. Officers have worked closely with Durham County Council in relation to the gas and electricity contracts, and it is currently anticipated that prices will increase by approximately 28% for electricity and 35% for gas on the projected outturn figures for the current year. These increases have now been incorporated into the 2022/23 Revenue Budget figures.
- 4.15 There have been no approved Committee decisions affecting the 2022/23 Revenue Budget and there have been no proposed amendments from Members of the Council following their consideration of the draft revenue budgets in October.
- 4.16 In relation to the budget survey and the specific questions relating to the 2022/23 budget setting within it, a number of comments and suggestions have been received, whilst there is also some useful feedback on priorities for investment and disinvestment which Members may wish to take into account in considering the final 2022/23 Revenue and Capital Budget proposals. Further details are set out in Section 8 of the report.
- 4.17 Finally, there were a number of minor amendments required to the draft 2022/23 Revenue Budget to take account of the latest income and expenditure projections for the current financial year, as reported in the 2022/23 Expected Outturn Report and inflationary pressures.
- 4.18 These budget changes include inflationary increases to a number of budgets including cleaning materials, advertising of meetings and telephones in line with increased actual spending this year and projected inflationary increases next year.
- 4.19 However, it should be noted that most general inflationary pressures have been absorbed within the Revenue Budget.

Revenue Budget Contingency Sum

- 4.20 In light of the net additional costs provided for in the final 2022/23 Revenue Budget, a total of £15,350 has been removed from contingency sum budget to help balance the budget.
- 4.21 There is now a total of £11,950 set aside in the contingency sum, which would provide limited surplus resources to offset any unforeseen costs

in 2022/23 including a higher-than-expected pay award or any further losses or additional costs related to the ongoing Coronavirus pandemic.

Council Tax Referendum Limit

- 4.22 The Government has announced that it does not propose to set 'referendum principles' to higher spending parish and town councils in 2022/23.
- 4.23 This decision continues to be conditional upon "*the sector taking all available steps to mitigate the need for council tax increases*" and the Government "*seeing clear evidence of restraint in the increases set by the sector*".
- 4.24 However, even if a limit had been placed on the council tax increases of town and parish councils, the Council is unlikely to have been impacted by this, as it is proposing a 1.99% increase in the Town Council Tax next year i.e. below the current 2% limit.

Overall Summary of the 2022/23 Revenue Budget

- 4.25 A full copy of the final 2022/23 Revenue Budget broken down by each committee, and showing the individual budgets for each service area, is attached at Appendix 1.
- 4.26 In addition, a detailed breakdown and explanation of the changes made to the Revenue Budget, since the consideration and approval of the draft budgets in October, is attached at Appendix 2.
- 4.27 The final 2022/23 Revenue Budget set out in this report and the attached appendices is largely based on the previously approved draft 2022/23 Revenue Budget and the agreement, in principle, to a 1.99% increase in the Town Council Tax, as updated to take into account the various changes referred to in previous sections of this report.

4.28 A summary of the overall 2022/23 Revenue Budget is set out below:-

Overall Summary of the 2022/23 Revenue Budget

Budget 2021/22 £	Budget Description	Inflation and Committed Growth £	Investment in Services £	Savings and Increased Income £	Budget 2022/23 £
765,850	Policy and Resources	83,150	-	(56,150)	792,850
854,150	Recreation	79,150	-	(34,450)	898,850
178,550	Environment	8,350	-	(2,000)	184,900
29,250	Contingency Sum	-	-	(17,300)	11,950
50,000	Contribution to Reserves	-	-	-	50,000
(180,300)	Less Council Tax Grant	-	-	(11,381)	(191,681)
1,697,500	Council Precept	170,650	-	(121,281)	1,746,869
6,788	Council Tax Base	-	-	-	6,848.9
250.07	Band D Council Tax	-	-	-	255.06
166.72	Band A Council Tax	-	-	-	170.04
0.00%	% Increase / (Decrease)	-	-	-	1.99%

4.29 In overall terms, agreement of the final 2022/23 Revenue Budget as set out above and attached in detail at Appendix 1, would result in a 2022/23 Council Precept of £1,746,869, which is an increase of £49,369 or 2.9% on the 2021/22 Precept.

4.30 Based on the final Council Tax Base figure, as notified by Durham County Council of 6,848.9, which represents a year-on-year increase of 60.9 properties, this level of Precept would result in a 1.99% increase in the Town Council Tax, in line with that agreed in October.

4.31 The final 2022/23 Revenue Budget continues to include a contribution to capital reserves of £50,000 which will enable the ongoing replenishment of the Council's earmarked capital reserves.

4.32 As highlighted earlier, the contingency sum has been reduced to £11,950 to help balance the Revenue Budget. The contingency sum provides limited surplus resources which could be used next year to fund any unforeseen budget issues such as a higher than budgeted pay award or further COVID-19 related costs or income losses.

4.33 In overall terms, the proposed 2022/23 Revenue Budget is considered to be a robust and prudently set budget, that will ensure all services can continue to be provided to the standard expected by the residents of Great Aycliffe next year, absorb increasing inflationary pressures, continue to provide a firm foundation and some surplus resources to meet the increases in running costs that lie further ahead, and allow the Council to continue to replenish its balances and reserves moving forward.

- 4.34 In light of the medium-term challenges faced in relation to inflationary pressures, the National Living Wage and local government pay, possible Council Tax Support Grant cuts and the need replenish council balances and reserves, no additional budget has been put in place for further investment in existing services or for the development of any new services.
- 4.35 Any additional investment, if this was agreed by the Council, would need to be funded from the contingency sum, further reducing the contribution to capital reserves, the implementation of a further council tax increase, or by identifying savings in existing budgets.

5.0 2022/23 Town Council Tax

- 5.1 The Town Council Tax is calculated using the 'Tax Base' figure for the Great Aycliffe Parish.
- 5.2 The Tax Base is calculated by Durham County Council, as the Council Tax Billing Authority, for every Parish in the County.
- 5.3 The Tax Base is a calculation of the number of 'chargeable' properties in the Great Aycliffe Parish for council tax calculation purposes.
- 5.4 The total number of properties in the Parish is adjusted to take account of the numbers of households in receipt of council tax support, discounts, and exemptions, as well as empty properties, and the council tax collection rate.
- 5.5 The Town Council Tax is calculated by dividing the Council Precept by the Tax Base figure. This provides the Band D Council Tax figure.
- 5.6 The Council's 2021/22 Tax Base figure was 6,788.0 properties.
- 5.7 The final Council Tax Base figure for 2022/23 has been notified by Durham County Council at 6,848.9.
- 5.8 This is an increase of 60.9 properties and has been driven the increased employment opportunities following the sharp downturn at the start of the Coronavirus pandemic and reduced claims for council tax support, and new housing development.
- 5.9 The Council's 2022/23 Precept, as based on the 2022/23 Revenue Budget attached at Appendix 1, would need to be set at £1,746,869.
- 5.10 Based on the final 2022/23 Tax Base figure of 6,848.9 properties, setting the Council Precept at £1,746,869 would result in a Band D Town Council Tax of £255.06. This is an increase of £4.99 per year, which equates to 42p per month or 10p per week.
- 5.11 This represents a 1.99% increase in the Town Council Tax.
- 5.12 The Town Council Tax at Valuation Band A, which is the valuation band within which nearly 60% of the properties in the Parish are currently valued, would be at £170.04, an increase of £3.32 per year or 28p per month.

- 5.13 Even though the 2022/23 Revenue Budget includes a number of cost increases and falls in income as a result of the economic situation and ongoing pandemic, it is important to stress that the Revenue Budget will still enable the Council to maintain all services, facilities and events next year, whilst retaining a £11,950 contingency sum and a £50,000 contribution to capital reserves.
- 5.14 This will ensure that the Council can continue to replenish its earmarked capital reserves at a time when they are likely to be depleted financing capital investment over the medium term, whilst also ensuring that some surplus resources are available to fund any additional or unforeseen budget commitments.
- 5.15 The Council could choose to freeze the Town Council Tax next year in recognition of the cost-of-living crisis being faced by local taxpayers. For information, if a freeze in the Town Council Tax was implemented, a total of £34,200 in additional savings would need to be found in the 2022/23 Revenue Budget.
- 5.16 Ultimately, the Council needs to try and achieve a balance between its own financial needs, both now and in the future, and those of its local taxpayers.
- 5.17 All things considered, bearing in mind the ongoing pandemic, worsening economic situation, soaring inflation and uncertainty around future staffing pay awards, and the future of the Council Tax Support Grant, it is recommended that the previously agreed 1.99% increase to the Town Council Tax is implemented.
- 5.18 It is therefore requested that Members approve the 2022/23 Precept at £1,746,869 and the 1.99% increase in the Town Council Tax.
- 5.19 This will enable the Precept and Council Tax to be formally set at the Council Meeting next week.

6.0 Final 2022/23 Capital Programme Budget

- 6.1 As highlighted earlier, in line with the recommendations made in the Council's Medium-Term Financial Plan, planned capital investment will continue to be closely scrutinised and controlled in order to help protect and sustain the Council's balances and reserves moving forward.
- 6.2 As such, the 2022/23 Capital Programme Budget has been prepared on the basis of essential investment only, mainly linked to the delivery of the Council's Asset Management Plan.
- 6.3 To be clear, it is *not* being recommended that *all* capital investment is restricted, more that investment should be focussed on those projects that contribute towards delivery of the Asset Management Plan, such as essential building works, replacement of vehicles and machinery at the end of their useful life, information technology, essential footpath and play area safety surface repairs and Ash tree dieback disease works.

- 6.4 The draft 2022/23 Capital Programme Budget was approved at a total of £275,600 and included provision for the following projects:-
- Replacement of two single cab works vehicles;
 - Ongoing purchase of electrical alternatives for petrol powered works machinery;
 - Ongoing Computer replacements and website development;
 - The ongoing programme of replacement festive lighting;
 - Roofing replacement at Moore Lane and Simpasture Park Pavilions;
 - Replacement goals for Simpasture sports pitches;
 - The ongoing programme of play area surfacing replacement;
 - Provision to drain and repair West Park Lakes;
 - Provision for ongoing repairs to the golf course irrigation system;
 - Purchase of golf trollies for hire at the golf shop;
 - Provision for ongoing drainage repairs at the sports complex;
 - Replacement of the air conditioning units in the sports complex kitchen;
 - Replacement blinds and curtains for the sports complex bar and function room;
 - Replacement public seating;
 - Provision to upgrade parish lighting to LED lights;
 - Ongoing provision for the removal of trees affected by Ash dieback disease; and
 - The ongoing programme of footpath repairs
- 6.5 Detailed information on each of above projects included within the draft 2022/23 Capital Programme Budget was set out in the Committee Budget Reports and has not therefore been repeated in this report.
- 6.6 With regard to the Simpasture Park Pavilion, the provisional sum for replacement of the roof, has been left in the 2022/23 Capital Budget pending the outcome of the feasibility study into options for the wider refurbishment of this building.
- 6.7 There has been one amendment made to the draft 2022/23 Capital Programme Budget since the draft budget was approved, this being an increase of £5,000 in relation to the replacement cost of two works single cab vehicles, after initial enquiries indicated a significant increase in the cost of replacing these vehicles.
- 6.8 The final proposed 2022/23 Capital Programme Budget now totals £280,600, and a full breakdown is attached at Appendix 3.
- 6.9 As highlighted in the 2021/22 Revenue and Capital Budget Expected Outturn Report, it is likely that that a number of delayed capital projects from the current financial year, totalling up to £228,000 will need to be carried forward to 2022/23.
- 6.10 The proposed 2022/23 Capital Programme will ensure the continued delivery of the Council's Asset Management Plan and will keep all major building works and replacements of vehicles, machinery, office equipment, street equipment and play equipment on schedule.
- 6.11 The budget will be funded from the Council's Earmarked Capital Reserves which have been built up and set aside for this purpose.

- 6.12 The Council will continue to seek opportunities to secure external capital grants or contributions such as Section 106 Agreement monies, Durham County Council Members Initiative Fund contributions and funding from the Great Aycliffe and Middridge Area Action Partnership (GAMP), and any external funding that is secured would provide resources over and above those set aside in the draft 2022/23 Capital Programme Budget.
- 6.13 The Council does not currently need to consider any further borrowing in light of the Earmarked Capital Reserves currently available, although the option of leasing capital assets will be considered where relevant.
- 6.14 In accordance with the Council's Standing Orders for Contracts and Procurement, all capital projects identified in the 2022/23 Capital Programme over the value of £5,000, will be subject to the obtaining of competitive quotes, and approval by the appropriate spending Committee and Council, before going ahead.

7.0 Council Balances and Earmarked Reserves

- 7.1 The Council's Balances and Earmarked Reserves are expected to stand at around £1.426 million at the end of March 2022.
- 7.2 This level of balances better than anticipated in the Medium-Term Financial Plan and is because of higher-than-expected savings on the 2021/22 Revenue Budget, and the lower-than-expected outturn on the 2021/22 Capital Programme Budget.
- 7.4 After accounting for the funding of the 2021/22 Capital Programme Budget of £300,502, as well as the ongoing capital projects expected to be carried forward from 2021/22 totalling £228,000 from the Council's Earmarked Reserves, the £50,000 top up of balances via the contribution to capital reserves, and assuming no use of Revenue Budget contingency sum and assumed savings of 4% on the 2022/23 Revenue Budget, Council Balances and Earmarked Reserves would fall to around £1.054 million by the end of the 2022/23 financial year.
- 7.5 These balances would be higher if additional savings are achieved on the Revenue Budget next year, as they have been this year, although it must be borne in mind that the Council's Medium-Term Financial Plan concluded that savings on the Revenue Budget are likely to diminish over the next few years, especially as inflation is increasing significantly.
- 7.6 Whilst this represents a fall in the Council's balances and reserves over the coming year, this is still considered to be a healthy level of balances.
- 7.7 This is very welcome as it comes at a time when the Medium-Term Financial Plan continues to forecast significant capital investment commitments and diminishing balances and reserves over the medium to long-term.

- 7.8 This healthy level of balances is a significant achievement in these unprecedented times and a positive endorsement of the prudent management and planning of the Council's finances over a long period of time, including the actions taken to set aside contingency resources in the Revenue Budget, restrict capital expenditure, and build up the Council's balances and reserves.
- 7.9 The forecast level of balances and reserves over the longer term remains a key financial issue for the Council and will be assessed and reviewed in the forthcoming update of the Medium-Term Financial Plan.
- 7.10 A full analysis of the likely movement on the Council's Balances and Reserves as a result of the proposed 2021/22 Revenue and Capital Budget is attached at Appendix 4.

8.0 2022/23 Budget Survey

- 8.1 Consultation on the Council's draft 2022/23 budget proposals was undertaken this year via an online Budget Survey which was widely publicised on the Council website, in the local press, and on the Council's social media channels. Hard copies of the survey were also placed in a number of community locations including schools, the library and community centres.
- 8.2 A total of 67 responses were received, which is significantly up on the 24 responses received last year.
- 8.3 The responses to the survey questions (please note that not all respondents answered every question) along with any specific comments and suggestions received are set out in detail in Appendix 5. A summary of the key feedback is set out below:-

1. Does the Town Council Tax provide value for money?

Yes	40	60.6%
No	26	39.4%

2. All things considered, are you in support of the Council's proposed 2022/23 Revenue and Capital Budget and the increase of 1.99% in the Town Council Tax?

Yes	38	57.6%
No	28	42.4%

3. Which Council's services are most important to you i.e. where budget cuts should not be made and where any future investment should be targeted?

Top 10 Most Important Services in Priority Order

Service Area
Environment, Nature Parks and Open Space
Litter and Dog Bins
Parks and Play Areas
Fireworks Display
Santa Tours
Flower Beds
Fun in the Parks
Cemeteries
Allotments
Christmas Lights

4. Which Council services are least important to you i.e. where budget cuts, if they are required in the future, should be targeted?

Top 10 Least Important Services in Priority Order

Service Area
Civic Events and the Office of Mayor
Councillors
Corporate Management and Admin
Oakleaf Golf Course and Driving Range
Financial Management
Senior Citizens' Trips
Large Community Events
Oakleaf Sports Complex
Firework Display
Allotments

- 8.4 In overall terms, a majority of survey respondents (57.6%) were in support of the draft budget proposals and proposed 1.99% increase in the Town Council Tax next year. 60.6% of respondents felt that the Council is delivering value for money.
- 8.5 The feedback received in relation to priorities for investment and disinvestment will be useful moving forward, as the Council deals with increasing financial pressures and the possible need to review and prioritise the services that it provides to the community.
- 8.6 Finally a number of specific comments were received in relation to the Council's budget plans, areas where the Council could make investment and suggestions for areas in which the Council could save money.
- 8.7 It is requested that Members consider the feedback received in the budget survey and consider what, if any, changes the Council should make to its 2022/23 Revenue and Capital Budget, or future budget setting exercises in response to the comments received.

9.0 Policy Implications

- 9.1 Conforms to Aim 2 of the Council's Strategic Aims and Targets – *“To manage the Council's finances and assets in a responsible manner”*.

10.0 Staffing Implications

- 10.1 All Revenue and Capital Budgets have been agreed by the relevant Service Managers and the Performance Management Group.

11.0 Financial Implications

- 11.1 The financial implications for the Council in terms of the setting of the 2022/23 Revenue and Capital Budget are fully set out in the report.

12.0. Crime and Disorder Implications

- 12.1 None.

13.0 Equal Opportunities Implications

- 13.1 None.

14.0 Environmental and Climate Change Implications

- 14.1 None.

15.0 Risk Assessment

- 15.1 The 2022/23 Revenue Budget has been prepared in accordance with the key financial principle of prudence, and the individual service revenue budgets and level of contingencies included within the overall Revenue Budget are considered adequate.
- 15.2 A risk assessment has been undertaken in relation to the setting of the 2022/23 Revenue Budget, and this has identified a number of potential risks that could result in actual costs or income being materially different to those budgeted. These risks are as follows:-
- The ongoing Coronavirus pandemic causing further revenue losses and additional costs into the 2022/23 financial year;
 - The current economic difficulties e.g. significantly increasing inflation, interest rate increases, availability of goods etc;
 - The impact of the utility crisis and increased gas and electricity costs;
 - A higher than budgeted local government pay award;
 - Non-take up of places and falls in attendance levels adversely affecting pre-school funding income;
 - Increasing pressures on pre-school staffing as a result of further increases in the number of special educational needs children;
 - Poor weather conditions adversely affecting usage of the golf complex; and
 - Any other unforeseen budget pressures adding to the running costs or reducing the income of Council services.

- 15.3 However having considered the above risk factors it is considered that the 2022/23 Revenue Budget has been prudently set and offers sufficient protection against their potential impact.
- 15.4 The budget includes provision for a 2.5% 2022/23 local government pay award, and also makes prudent provision for inflationary increases in running costs and possible falls in income.
- 15.5 The Revenue Budget includes a contingency sum of £11,950 to protect against any unforeseen spending commitments, such as a higher pay award, and a £50,000 contribution to capital reserves, which provides added protection, as well as a means of replenishing the Council's balances and reserves.
- 15.6 Council Balances and Reserves are projected to stand at £1.426 million at the end of this financial year, and the proposed 2022/23 Revenue and Capital Budget would result in balances of at least £1.054 million being available at the end of 2022/23.
- 15.7 This is considered an adequate level of reserves to support future capital investment, as set out in the Council's Asset Management Plan, at least over the medium term, as well as providing some protection against any unforeseen revenue budget pressures, particularly bearing in mind the £50,000 'top up' to reserves that is built into the Revenue Budget.
- 15.8 There remains a medium-term risk that the Council Tax Support Grant will be cut or withdrawn in its entirety. This risk is identified within the Medium-Term Financial Plan and Risk Register and arrangements have been made to continue the Council's programme of service reviews, with a view to identifying possible savings, in the event of this funding being lost in the future.

16.0 General Data Protection Regulations (GDPR)

- 16.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

17.0 Recommendations

- 17.1 It is recommended that Members:-
- a) Receive the final 2022/23 Revenue and Capital Budget proposals and note the change made to the draft budget;
 - b) Receive the feedback from the 2022/23 Budget Survey;
 - c) Approve the Council's 2022/23 Revenue and Capital Budget as set out in the report and the attached appendices;
 - d) Approve the 2022/23 Precept at £1,746,869 and agree the proposed increase of 1.99% to the Town Council Tax.