

Agenda Item

REPORT OF **Leader of the Council**

To: **Full Council**

Subject: **Member Budget Options Working Group**

Date: **11th April 2022**

Reference:

PURPOSE OF REPORT:

Full Council to appoint Members to form a Budget Working Group to report to Community & Resources Committees options for building resilience into the Council's Medium Term Financial Strategy.

1. INTRODUCTION

Full Council on the 21 February 2022 approved the Council's 2022-23 Budget and Medium Term Financial Strategy (MTFS) 2022-23 to 2026-27.

During the meeting Members heard from the Council's Finance Manager (s151 Officer) about the financial challenges that lie ahead.

One of the recommendations approved by Members was:

- *That a working group be established the membership to be agreed by Full Council to be tasked with reporting back to Community and Resources for options to bring the Council's finances back into balance.*

2. REPORT

Medium to long term Local Government budgets are notoriously difficult to predict and forecast as they are fraught with risk and uncertainty and generally underpinned by single year settlements from Central Government.

However, it is impossible for many of the plans, services and projects delivered by the Council to be based on a single year for example the Council's Strategic Plan objective to improve and deliver increased levels of affordable housing in the District.

Therefore, sitting alongside the annual Budget process, the Council has a MTFS spanning a five year period comprising of estimates and forecast of service / project costs as well as income expected to be generated.

Generally speaking the further ahead we forecast the less reliable the data is to support the estimate. However, more recently things have been changing at a much more rapid pace with inflation and energy costs for example already far greater than when the budget started its progress through the Committee meeting process.

The Council's approved MTFS 2022-27 had already identified financial challenges for the future without the new and emerging difficulties and therefore it is imperative that the Council works to establish a greater degree of financial resilience and sustainability now rather than leave until the risks materialise.



This report seeks the appointment of *** Members to form a Working Group to work alongside senior officers to identify, evaluate and recommend options and measures for long financial sustainability that also aims to provide the resources necessary to deliver the Council's strategic objectives.

The Working Group will report back to Community & Resources, which is the Committee responsible for formulating the Council's Budget and making recommendations to Full Council. Therefore, in line with the Council's constitution Members who sit on the Scrutiny Committees will not be able to sit on the Working group.

I recommend that the working group be made up of 6 Members and will comprise:

- Leader of the Council
- Lead Member for Finance & Audit – Cllr Hodson
- Cllr Brenton
- Cllr Bright
- Cllr Christie
- Cllr Lock

In the event for any reason a Member is no longer part of the working the Leader of the Council is delegated to appoint a replacement.

The Working Group will report back to Community & Resources by October 2022.

A draft set of Working Group terms of reference are attached as appendix 1.

3. IMPLICATIONS

Legal Implications

.N/a

Financial Implications

As highlighted in the report

Human Resources Implications

N/a

Sustainability Implications

N/a

Equality/Diversity

N/a

Risk Management

Financial resilience and sustainability is highlighted as a critical risk in the Council's Corporate Risk Register.

Compliance with Policies and Strategies

Required to support the Council's Strategic Plan and MTFS

Ward Member and Leader Member Views



Na/ - report of the Leader of the Council.

4. CONCLUSIONS

This is critical piece of work the Council needs to embark on to ensure that the Council proactively manages a particularly challenging period ahead for Local Government Finance and the provision of services that Torridge delivers.

The Working Group will consider and evaluate various options available that might deliver cost savings, income generations and or greater efficiency. Doing so on a proactive basis will allow the Council properly consider and determine the impacts of such measures on iur services, residents and communities.

5. RECOMMENDATIONS

That Members establish a Budget Working Group made up of a total of 6 Members and will comprise:

- The Leader of the Council
- The Lead Member for Finance & Audit – Cllr Hodson
- Cllr Brenton
- Cllr Bright
- Cllr Christie
- Cllr Lock

In the event for any reason a Member is no longer part of the working the Leader of the Council is delegated to appoint a replacement.

SUPPORTING INFORMATION

Consultations: Chief Executive, Finance Manager (s151 Officer), Head of Legal & Governance and Head of Communities & Place
Contact Officer: Steve Hearse
Background Papers: Budget 2022-23 and MTFS 2022-23 to 2026-27 reports to C&R and Full Council

