

**COUNCIL**  
**10 February 2021**  
**CABINET RECOMMENDATIONS**

Recommendations to Council made at the Cabinet meeting held on 28 January 2021

**(a) 2021/22 Council Tax Reduction (CTR) Scheme**

The Cabinet Member for Finance & Assets gave an overview of Horsham's current CTR scheme, which provided financial support for those on low incomes. The current scheme reduced the amount of council tax paid by working aged customers in financial difficulties. The Cabinet Member advised that the Council's scheme was one of the most generous in the country. Given the challenges caused by the pandemic, it was proposed that the scheme remained unchanged for 2021/22.

Cabinet also resolved how to distribute the remaining discretionary funds from the Government's 'Council Tax Covid-19 Hardship Fund', as outlined in paragraph 3.6 of the Cabinet report. Approval of the allocation of the discretionary funding is needed to ensure all remaining money is distributed.

**RECOMMENDED TO COUNCIL**

To agree the inclusion of a 'no-change' CTR scheme for 2021/22

**REASON**

CTR schemes are annual schemes and therefore require an annual review and approval, even when no changes to the scheme are being proposed.

**(b) The 2021/22 Budget and the Medium Term Financial Strategy to 2024/25**

The Cabinet Member for Finance & Assets reported details of the proposed 2021/22 revenue and capital budgets and revised MTFS, following the government's draft financial settlement. The net budget requirement for 2021/22 was £1.8m higher than in 2020/21 because of the impact of the Covid-19 pandemic, in particular its impact on parking and leisure services.

The Council was able to set an overall balanced budget due to unexpectedly generous government funding announced on 17 December. The Council had also taken prompt action and reduced expenditure by £1.4m through staff savings. The report to Cabinet included confirmation of a £7m capital programme and a proposed increase in council tax; despite this increase, HDC would continue to have the lowest council tax of any district or borough in West Sussex. Reserves would be kept above the agreed minimum level in order to give flexibility and headroom to deal with any unforeseen issues that might arise in the future.

The MTFS for 2022-25 was based on the latest information, although the outlook remained uncertain for a number of reasons, which were outlined by the Cabinet Member. The report also outlined more long-term indicative and potential capital commitments.

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The report also set out a series of prudential indicators, which were a statutory requirement to demonstrate that the Council's capital programme was affordable and prudent in the context of the Council's overall finances, together with a statement on the robustness of reserves. Cabinet agreed to refer these matters to Council for consideration.

Since the 2021/22 budget papers were compiled for the Cabinet meeting on 28 January, a change has been made affecting the funding, with a small increase to the projected deficit in 2021/22 and MTFS. Net revenue for 2021/22 has increased by £33k. Details are set out in the attached addendum.

As a result of this change, recommendation ii), as set out in the report to Cabinet has been amended so that the net revenue budget is amended from £13.039m to £13.072m.

### **RECOMMENDED TO COUNCIL**

- i) That the level of Council Tax for 2021/22 increases from £152.52 by £5 (3.28%) to £157.52 at Band D;
- (ii) That the net revenue budget set out in Appendix A for 2021/22 of **£13.072m** is approved;
- (iii) That Special Expenses of £309,920 set out in Appendix C and a Band D charge of £26.01 are agreed in respect of the unparished area for 2021/22;
- (iv) That the capital programme for 2021/22 set out in Appendix D be approved and that the indicative capital budgets in the programme for future years be noted;
- (v) That the projected future budgets on the revenue account in 2022/23 to 2024/25 are noted and the Medium Term Financial Strategy continues to be reviewed and refined to ensure that decisions are taken to set balanced budgets in these three years;
- (vi) That the Minimum Revenue Provision Statement set out in Appendix E is approved;
- (vii) That the Capital Strategy, Treasury Strategy, Investment Strategy and prudential indicators and limits for 2020/21 to 2023/24 set out in Appendix F are approved;
- (viii) To note the statement on the robustness of the level of reserves in Appendix H;
- (ix) That the increases to fees and charges set out in Appendix I are approved;
- (x) Delegate to the Director of Community Services in consultation with the relevant Cabinet lead temporary changes to fees and charges in the form of offers and incentives during the year.

### **REASON**

To meet the Council's statutory requirement to approve the budget and the prudential indicators before the start of a new financial year.