

Finance Policy Development Advisory Group
11 JANUARY 2022

Present: Councillors: Tony Hogben (Chairman), Matthew Allen, Tony Bevis, Martin Boffey, Paul Clarke, Michael Croker, Ray Dawe, Brian Donnelly, Nigel Jupp and Stuart Ritchie

Apologies: Councillors: Richard Landeryou

Also Present: Councillor Mike Morgan

1 **NOTES OF PREVIOUS MEETING**

The notes of the meeting of the Finance and Assets Policy Development Advisory Group, held on 8 November 2021, were received.

2 **BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

The Director of Corporate Resources updated the meeting on the current position and presented the 2022/23 draft budget summary. Key points advised included:

- A projected decrease of £1.1m in net expenditure from 2021/22, though still higher than 2020/21 pre-Covid
- A 2.9% increase in C Band Council Tax is factored into the projection, with an overall increase of 2% per annum going forward
- £1.4m savings in costs of employment, as a result of November 2020 restructuring
- £1m on new environmental initiatives, including electric vehicles replacing existing ones as they are decommissioned
- Increasing income from Leisure Centres and car parking after significant reductions in 2020/21

Subsequent discussion included

- Provision for de-carbonisation and environmental measures, though the full financial implications of pursuing this are difficult to quantify and may exceed the levels estimated
- Inflation predictions underpinning the projections are based on the nature of typical Council spend and, as such, are well below the retail-based CPI index. A significant element of Council spend is on staff costs and affected by Local Government pay increases
- Community Link will require significant investment (£360k over 2 years) to enable it to convert from an analogue to digital operational footing. It was recognised that this socially important service would not be able to continue without investment

- Council Tax defaults are not a significant concern, perhaps because of additional support from the County in 2020 and 2021, but business rate defaults remain a greater concern
- Further staffing cuts are not considered appropriate as the Council is already operating in a lean way and further cutbacks may lead to harmful service impacts
- Less well defined (and potentially higher) costs associated with the Green Agenda, including carbon neutralisation, suggest the need for a designated Green Reserve.

3 **REVIEW OF PARKING FEES AND CHARGES**

The meeting received a presentation from the Interim Head of Parking and the Parking Strategy Officer updating on proposed charges for 2022/23. Key points included:

- A reduction in year-on-year parking income of £1.2m of which £1m is expected to be recovered over 3 years. The current forecast is in line with the current year's budget, so as expected
- Overall transactions are close to pre-Covid levels but reflects lower average time spent parking in towns, and slower retail activity. Season ticket sales have been affected by the increase in home working
- Benchmarking with neighbouring authorities suggests that there is scope for some charge increases, which is in line with decisions being made in other authorities
- Proposals for increases were presented, typically 10-15% increases, with implementation from June /July 2022

The proposals were received positively, with some more localised comments relating to rural car parks and specific sites. A specific suggestion related to the potential for the more sophisticated systems now installed in the principal town carparks to charge for time actually used rather than for pre-designated slots.

4 **COUNCIL TAX REDUCTION SCHEME**

This was consulted on with the PDAG in June and it was recommended that this continued unchanged. Because there are no changes this does not need public consultation, with a report is scheduled to go through Cabinet to Council for approval in time for 2022/23 Council tax billing.

5 **BUSINESS RATES DISCRETIONARY CHARITABLE RELIEF**

Business Rates Discretionary Charitable Relief. Advised by PDAG in June that a change should be consulted on to enable up to 100% relief. This was consulted upon, there were no replies but the recommendation is to go ahead with the change.

6 **FURTHER PROVISION OF THE INTERNAL AUDIT SERVICE**

Alternative options have been investigated but all raised questions about cost, quality or timeliness. As a result, the decision is for the current Auditors, Orbis, to be retained for a further five year term from April 2022. Orbis have offered a £20,000 a year reduction in cost.

7 **FORWARD PLAN EXTRACT FOR THE FINANCE PORTFOLIO**

The Forward Plan was noted.

The meeting closed at 7.20 pm having commenced at 5.30 pm

CHAIRMAN