

Overview & Scrutiny, 17th January 2022

7. Budget proposals for coming year

Councillor Matt Babbage, Chair of the Budget Scrutiny Working Group

The Budget Scrutiny Working Group (BSWG) was set up by Council in 2010 as a result of the economic crisis and increasing pressures on the council's financial resources. It was agreed that the group should be a scrutiny task group and form part of the new overview and scrutiny arrangements. The group aims to ensure that Members work collectively, accepting political differences, on solutions to the budget gap. The working group is not a decision making body, but its role is to develop the budget process, support the development of Members' scrutiny role and to consider ideas from Members for reducing the budget gap.

The group met on 10th January to discuss the General Fund and Housing Revenue Account (HRA) budget proposals for the coming year. Gemma Bell (Head of Finance) and Stafford Cruse (Interim Executive Director (Finance and Resources), Cheltenham Borough Homes) introduced the reports and responded to Members' queries.

The budget proposals followed the local government funding settlement released in December, which included a new homes bonus and a number of grants to compensate for the increase in National Insurance and the wider challenges faced by local authorities. While the one-year settlement generally delivered what officers had expected, they noted that a more comprehensive three-year settlement would have been more beneficial, allowing a greater degree of certainty in the council's long-term financial planning.

Officers emphasised that the economic recovery from Covid-19 was far from over, and the budget proposals sought to address a number of financial pressures expected throughout the year. The impact of inflation, particularly on the cost of energy, materials and contracting, was noted, as was the need to mitigate potential supply chain issues. Members were reassured that the impact of these increased costs was being modelled in detail, and that this would form part of the budget outturn report later in the year.

The group acknowledged that due to finite resources, it was important to balance priorities, and with that in mind some funds had been reprioritised to deliver savings. However, the council's ambitious commitments to deliver affordable housing and tackle climate change remained of great importance. Members discussed the promising possibilities of new technology in areas like carbon reduction, but warned against becoming overly reliant on technology that was not yet fully developed.

The government's planned social housing rent increase of 4.1% was also highlighted by officers, who noted that tenants in financial difficulty would need greater support as a result. Members were pleased with the focus on supporting vulnerable residents, and discussed the role affordable housing provision could play in this. Officers emphasised that tenant support was not just about repairs and maintenance, but also about improving quality of life for residents and those with more complex needs. Members thanked the finance officers for their diligence and attention to detail.