



**REPORT of
DIRECTOR OF RESOURCES**

to
**STRATEGY AND RESOURCES COMMITTEE
3 FEBRUARY 2022**

**REVISED 2021 / 22 ESTIMATES, ORIGINAL 2022 / 23 BUDGET ESTIMATES AND
COUNCIL TAX 2022 / 23**

1. PURPOSE OF THE REPORT

- 1.1 To note the Provisional Local Government Finance Settlement 2022 / 23 which was announced by the Government on 16 December 2021.
- 1.2 To present to the Committee the revised 2021 / 22 and original 2022 / 23 General Fund Revenue Budget estimates for approval and recommendation to the Council on 24 February 2022.
- 1.3 To present the options for proposed level of Council Tax increase for 2022 / 23 for recommendation to the Council on 24 February 2022.
- 1.4 To present for approval and recommendation to the Council on 24 February 2022 the policy on use of reserves.

2. RECOMMENDATIONS

- (i) that the Committee notes the main details of the Provisional Local Government Finance Settlement 2021 / 22 described in section 3.4 of this report;

To the Council:

- (ii) that the following be approved:
 - (a) the Revised 2021 / 22 and Original 2022 / 23 General Fund Revenue Budget Estimates (**APPENDICES 1, 2 and 3**);
 - (b) an average Band D council tax of £212.40 (excluding parish precepts) (£5 increase) for 2021 / 22 (**APPENDIX 1**);
 - (c) policies on the designated use of financial reserves (**APPENDIX 4**);
 - (d) maintain the current policy of a minimum general fund balance of £2,600,000.
- (iii) that the Council gives due regard to the Director of Resource's (Section 151 Officer) statement on the robustness of budgets and adequacy of reserves in **APPENDIX 5**.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council no longer receives revenue support grant funding from the Government meaning that the majority of the funding for the Council's services is from income raised directly by the Authority. The main sources of funding are Council Tax, Fees and Charges and Business Rates.
- 3.2 The requirement to set a balanced budget has required stringent processes to deliver efficiencies, preserve as far as possible front-line services, retain the ability to generate income and to recognise the increasing demand for services.
- 3.3 It should be noted that, at the time of writing this report, the National Non-Domestic Rates Return (NNDR1) for 2022 / 23 was not completed and, therefore, the funding figures from Business Rates are likely to change, which will affect the contributions to / (from) balances as shown in **APPENDIX 1**.

3.4 Provisional Local Government Finance Settlement 2022 / 23

- 3.4.1 The provisional 2022 / 23 local government finance settlement was announced on 16 December 2021. The Settlement Funding Assessment is the amount of funding consisting the 50% of the Business Rates Baseline Funding Level uprated by the increase in the small business rates multiplier that is identified by the Government under the current system of 50% Business Rates Retention Scheme and adjusted for the tariff that the authority pays.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m	£m
Settlement Funding Assessment – Maldon	1.601	1.474	1.508	1.532	1.532	1.532
of which:						
Revenue Support Grant	0.169	0	0	0	0	0
Business Rates Baseline Funding under 50% Business Rates Retention (BRR)	1.432	1.474	1.508	1.532	1.532	1.532
Annual % Change	-18.5%	-7.9%	2.3%	1.6%	0.0%	0.0%
Cumulative % Change	-18.5%	-25.0%	-23.2%	-22.0%	-22.0%	-22.0%

- 3.4.2 The Government each year also calculates an amount called the 'Core Spending Power' for each local authority which is an estimate of the amount of funding available to each authority to spend on their core services. It is made up of estimated Council Tax and Business Rates income, Revenue Support Grant, New Homes Bonus and a number of government grants.

CORE SPENDING POWER								
Please select authority								
malton								
Illustrative Core Spending Power of Local Government:								
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Settlement Funding Assessment	2.4	2.0	1.6	1.5	1.5	1.5	1.5	1.5
Compensation for under-indexing the business rates multiplier ¹	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Council Tax Requirement excluding parish precepts ^{2,3}	4.1	4.3	4.5	4.7	4.8	5.1	5.2	5.4
Improved Better Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Homes Bonus	0.6	0.8	0.8	0.7	0.8	0.9	0.9	1.0
New Homes Bonus returned funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rural Services Delivery Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transition Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult Social Care Support Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Winter Pressures Grant ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Care Support Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Care Grant ⁵	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market Sustainability and Fair Cost of Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lower Tier Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
2022/23 Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Core Spending Power	7.2	7.1	7.0	6.9	7.3	7.6	7.8	8.2
Change since 2015-16 (£ millions)								1.0
Change since 2015-16 (% change)								13.2%

Source: Provisional Local Government Finance Settlement 2022 to 2023 published by the Ministry of Housing, Communities and Local Government (MHCLG) 16/12/2021

3.4.3 It can be seen from the above illustrative table that, in the Government's view, the total Core Spending Power includes the potential additional Council Tax from the £5 referendum principle for all Districts. The Council did increase its Council Tax by £5 in 2017 / 18, the first year that the Government introduced the £5 into the referendum principle in acceptance and recognition of the financial pressures that district councils have been experiencing.

Key Information for Local Authorities (£m)							
Select local authority by clicking on the box below and using the drop-down button							
Maldon							
	2016-17	2017-18 ¹	2018-19 ¹	2019-20 ¹	2020-21 ¹	2021-22 ¹	2022-23 ¹
Settlement Funding Assessment	2.0	1.6	1.5	1.5	1.5	1.5	1.5
of which:							
Revenue Support Grant ²	0.6	0.2	0.0	0.0	0.0	0.0	0.0
Baseline Funding Level	1.4	1.4	1.5	1.5	1.5	1.5	1.5
Tariff/Top-Up ²	-3.8	-3.6	-3.7	-3.8	-3.9	-3.9	-3.9
2017-18 Tariff and Top-up reconciliation			0.0				
Safety Net Threshold	1.3	1.3	1.4	1.4	1.4	1.4	1.4
Levy Rate	0.5	0.5	0.5	0.5	0.5	0.5	0.5

Source: Provisional Local Government Finance Settlement 2021 to 2022 published by MHCLG 16/12/2021

3.4.4 For 2022 / 23, government funding consists of the Business Rates Baseline funding, New Homes Bonus, Lower Tier Services Grant, Services Grant and the Rural Services Delivery Grant.

3.4.5 The New Homes Bonus (NHB) Scheme was introduced in 2011 / 12 to encourage local authorities to facilitate housing growth. For every additional property built or empty property brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes.

3.4.6 There have been changes to the scheme over the years such as:

- the payments have reduced from six years to four years,
- the introduction of an annual baseline housing growth of 0.4% below which no NHB would be payable,
- from 2020 / 21 the government no longer pays NHB legacy payments relating to 2020 / 21.

- 3.4.7 For 2022 / 23 the government has maintained the Rural Services Delivery Grant at £85 million and the Council's allocation of £32,339, the same as 2021 / 22. However, they have added a Services Grant of £822 million (Council allocation £105,646) to help alleviate the 1.25% increase in National Insurance (NI).
- 3.4.8 Finally, the Council's allocation for the provisional base Homelessness Prevention Grant for 2022 / 23 has also been maintained at £142,320, although an additional £3,690 has been added for Domestic Abuse New Burdens. Further allocations may be announced for the Flexible Housing Support Grant, and the Homelessness Reduction Grant in the future.

3.5 Revised General Fund Revenue Budget Estimates 2021 / 22

- 3.5.1 There have been some necessary changes to the 2021 / 22 budget since its approval in February 2021. £405,700 of revenue commitments unspent in 2020 / 21 needed paying for in 2021 / 22, so budget was carried forward from 2020 / 21 for this. Various approved supplementary estimates and mid-year growths this year have added up to £53,400 and £43,000 respectively. These have been offset by improved investment income returns of £81,000.
- 3.5.2 Also, the Budgetary Control report taken to the Strategy and Resources Committee on 11 November showed a net budget pressure of £0.112m. This pressure will need to be met by the General Fund reserve.
- 3.5.3 The original 2021 / 22 budget estimates showed a total of £Nil contribution from the General Fund Balances. The revised estimates continue to show a contribution of £Nil from the General Fund Balances after contributions from earmarked reserves, as per **APPENDIX 4**. This maintains the General Fund Balance of £5.8m.
- 3.5.4 The Council continues to receive additional income from growth above the baseline in local business rates and pooling arrangements within the Essex Region Business Rates Pool. The final benefits from being in the pool will not be known until the year end.
- 3.5.5 £793,000 is being drawn down for the Local Development Plan (LDP) from the NHB reserve and £163,000 from the Council Tax and Business Rates Equalisation reserve as per 2021 / 22 Budget Setting. Also, as previously budgeted, the General Fund made its annual contribution of £520,000 to the Pensions reserve towards the tri-annual payment towards the Pension Fund. Since then, £405,700 has been drawn from 2020 / 21 via the Revenue Commitments reserve, £3,500 from the Feasibility reserve, and a further £15,400 will be required from the Council Tax and Business Rates Equalisation reserve this year. These have been built into the revised budget for 2021 / 22 only.

3.6 Original General Fund Revenue Budget Estimates 2022 / 23

- 3.6.1 The proposed 2022 / 23 net operating expenditure budget after adjusting for statutory adjustments, but before any non-service specific funding and use of reserves totals £10.322m and is therefore £0.869m (9.19%) higher than 2021 / 22 (£9.453m).
- 3.6.2 There are additional growth pressures such as an increase for inflation of £648,000, due to:
- an estimated 2.5% increase on gross salaries,
 - an additional increase in National Insurance contributions from 13.80% to 15.05%,

- plus net incremental salary grade pressures,
- an increase in national minimum wage from £8.36 per hour to £8.91 (6.6%) pushing up contract costs,
- 4.8% and 3.2% increases for Retail Price Index (RPI) and Consumer Price Index (CPI) indexed expenditure respectively, measured in August 2021. This mainly applies to operational contracts related to waste services, street cleansing and parks, and corporate contracts such as transaction charges and IT licences, which are collectively increasing by £251,000.

3.6.3 Due to recent budget growth bids and forecast increased pension service costs, it is estimated that in 2022 / 23 there will need to be a net contribution to General Fund balances of £452,000.

3.6.4 The Council Tax increase is considered in Section 3.13. Proposals for the usage of earmarked reserves are discussed in more detail in Section 3.14.

3.6.5 2022 / 23 Budgets have initially been built up as follows:

- Embedded New Council Structure;
- Inflation assumptions on existing contracts - 2.5% for pay, 1.25% for NI and contractual inflation on goods and services based upon CPI or RPI dependent of terms within contracts;
- Expected income from fees and charges and grant income;
- Implications of statutory and contractual changes, non-inflation cost pressures;
- Growth and Savings, as discussed later in this report.

3.6.6 As part of the budget setting process for 2022 / 23 the Maldon District residents were consulted and the results of the survey are at **APPENDIX 6**.

3.7 **Budget Growth, Savings and Income Generation in 2021 / 22**

3.7.1 On 6 January 2022, this Committee considered a report on the budget growth and savings for 2022 / 23. These proposals have been built into the core 2022 / 23 budget in consultation with the Finance Working Group for approval at this Committee meeting. The estimates currently stand at £0.727m for Growth; £0.453m in Savings.

3.7.2 Furthermore, the Committee considered non-recurring growth in 2022 / 23 in relation to repairs and renewals of Council assets, which would not form part of the capital programme, totalling £0.085m (£0.128m in 2021 / 22). The difference of £43k has been retained as a repairs and renewals contingency budget for other unexpected expenditure of a similar nature.

3.7.3 The Essex Local Council Tax Sharing Agreement will continue for the foreseeable future, along with the performance targets. For 2022 / 23 the Council has budgeted the benefit at £142,500. This is up £18,200 from the £124,300 budgeted in the current year, due the improving trend in collecting Council Tax from last financial year.

3.8 New Homes Bonus (NHB)

3.8.1 NHB is not ring-fenced and, therefore, it can be used by the Council for whatever purpose it wishes. A couple of years ago, the government stated that the NHB scheme would change and, as a result, 2022 / 23 will be the last year legacy payments will be received by Councils. Helpfully, a further £763,304 has been announced in the provisional local government settlement on top of the legacy payment of £418,142. This means the amount in 2022 / 23 to support the General Fund revenue expenditure is £961,172 (£929,981 in 2021 / 22).

3.9 Pension Fund Deficit Recovery

3.9.1 The Pension Fund Triennial Valuation 2019 was concluded and the results at that time showed that the deficit on the Council's element of the overall Fund in respect of assets and liabilities had reduced from £8.181m to £5.318m with the funding level improving from 81.7% to 90.2%. The deficit recovery period has reduced from 15 years to 12 years. The primary employer's contribution rate has increased from 15.9% to 19.9% of pensionable pay from the current financial year. The Council chose to pay the triennial deficits up front so a payment of £1.556m was paid in the 2020 / 21 financial year using the General Fund Reserves / Balance, then making a £0.520m contribution in each of the year's 2021 / 22 and 2022 / 23 be transferred to the Pension Reserve in the earmarked reserves in readiness for the next Triennial Valuation in 2023 / 24 to mitigate the impact of the deficit recovery payment at the time.

3.10 Essex Region Business Rates Pool

3.10.1 As agreed by the Council in October 2015, the Council joined the Essex Region Business Rates Pool in April 2016. The Pool will continue to operate in 2022 / 23 and the Council will continue to benefit by being in the Pool.

3.11 Interest on Investments

3.11.1 Interest from investment income is an integral part of the budget considerations. Bank of England base rate decreased in March 2020 to 0.1% and it remained at that rate until December 2021 when the Bank of England increased the base rate to 0.25%. The 2022 / 23 budget estimate for investment interest income is £214,000 at an average investment balance of £29m during the year at a rate of 0.74%. This is equivalent to our recent forecasts for 2021 / 22.

3.12 Council Tax

3.12.1 The Council Tax referendum threshold set by the Secretary of State for 2022 / 23 was announced as part of the Provisional Settlement; and for Maldon, the threshold has been set at 2% increase over 2021 / 22 or £5, whichever is the greater. Any Council proposing increases more than the threshold faces the substantial cost of conducting a local referendum and, if it results in a 'No' vote, the rebilling cost as well.

3.12.2 The Government, in calculating the core spending power for each council, assumes they will have taken the benefit of the £5 increase (see table in paragraph 3.4.2) it is important that the Council considers the option of the £5 increase for 2022 / 23.

Options for Increase in Council Tax from 2021 / 22 to 2022 / 23	Increase on 2020 / 21 Band D Council Tax of £207.40		Additional Income Band D
Tax Base = 25,524.3	0.00%	£5.00	
Band D Council Tax 2022 / 23	£207.40	£212.40	£5.00
Maldon District Council: Council Tax	£5,293,741	£5,421,361	£127,620

3.12.3 Increasing the Council Tax by £5 to £212.40 instead of a Council Tax freeze of 0% (£0) to £207.40 would raise an additional income of £127,620 in 2022 / 23, thus reducing the requirement from General Fund Balances by that amount to support the General Fund net expenditure.

3.12.4 A £5 increase represents a 2.41% increase on 2021 / 22 Council Tax as every 1% increase in Council Tax will bring in an additional £54,214.

3.12.5 The Council's net expenditure budget (excluding parish precepts but after service specific funding and contribution from reserves) for 2022 / 23 is £6,914,021. This is matched by the estimated total resources with the Band D council tax at £212.40 i.e. £5 increase on 2021 / 22 (**APPENDIX 1**).

3.12.6 The tax base to be used for setting the 2022 / 23 Council Tax. It has been calculated at 25,524.3 "Band D equivalent" properties, after allowing for a non-collection rate of 2.7%. This tax base is being applied for the purposes of setting the 2022 / 23 Council Tax.

3.12.7 In terms of the estimated (surplus) / deficit on the Collection Fund as at 31 March 2022, Maldon District Council's share of the net deficit, which has increased our Council Tax, was £1,567,750 comprised of a surplus distribution on Council Tax of £181,866 and a deficit distribution on Business Rates of £1,749,616. We are still awaiting the 2021 / 22 Business Rates pooling results which will be finalised at the end of the financial year.

3.12.8 In accordance with the legislation under the Local Government Finance Act 1992, all parish precepts must be charged to the Council's General Fund. At the time of writing this report not all parish precepts had been received. It is envisaged that all the parish precepts will be reported at the Council meeting on 24 February 2022 for Council Tax setting purposes.

3.13 Council Tax £5 increase on 2021 / 22 Band D Basic amount of £207.40

3.13.1 The Budget estimates have been constructed on the basis that the Council is proposing to increase council tax by £5.00 which is within the referendum threshold for 2022 / 23. This represents a prudent approach having regard to the balance of the risks and opportunities facing the Council in future years; in the context of its underlying financial base with subsequent increases to be reviewed each year in the light of emerging risks. The budget for 2022 / 23 is balanced, however, there are some uncertainties still facing local government finance. Inflation has increased significantly over the past year (5.1% as of November 2021) and is forecast to remain high throughout 2022 / 23. The move from the 50% Business Rates Retention to 75% Business Rates Retention system is on hold and it is not known when or whether it will be implemented. Any change to the Business Rates retention system will, most likely result in a reset of the Business Rates Baseline, which it is expected will remove the growth that has been achieved since the system was introduced. This could take away resources from this Council. However, it is not possible to predict what the exact impact would be without knowing the details of the new

system. There is also the ongoing uncertainty around the impact of Covid-19. The pandemic has created challenges for financial forecasting, due to the uncertainty involved. Possible impacts are covered in more detail in paragraph 3.16.3.

3.13.2 Council Tax increases become part of the overall financial base of the Council. The proposed £5 increase in Council Tax will generate an additional £127,622 of income in 2022 / 23. If this increase is not approved for 2022 / 23 then the gap in future years widens and any necessary Council Tax increase would then be greater.

3.14 General Fund Balance and Revenue Reserves

3.14.1 Detailed policy information for each earmarked revenue reserve and anticipated balances is set out in **APPENDIX 4**.

3.14.2 Based on the latest risk assessment it is considered that the Council maintains the approved minimum working balance level from £2.6m this will be regularly reviewed in the light of changing circumstances.

3.14.3 A summary of the proposed use of reserves is summarised in the table overleaf and is based on a budget projection that includes aspects such as inflation and a number of priority and statutory growth pressures offset by savings identified. The overall aim is to ensure that reserves do not fall below £2.6m and the current projections keep within this target.

Balances Movement (taking into account estimated use in 2021 / 22)	2021 / 22 (Revised)	2022 / 23
	£0	£0
Balance brought forward		
General Fund Reserves	5,800	5,688
Earmarked Reserves	8,414	7,553
Total	14,214	13,241
Projected Movement		
General Fund Reserves	-112	-452
Earmarked Reserves	-861	-1,731
Total	-973	-2,183
Balance carried forward		
General Fund Reserves	5,688	5,236
Earmarked Reserves	7,553	5,822
Total	13,241	11,058

3.14.4 The New Homes Bonus reserve (NHB) has been building up from unutilised payments and legacy payments received since 2018 / 19. The government has conducted a consultation on the future of the NHB during 2021 / 22. The results of which are yet to be announced. The NHB Reserve balance as at 31/03/22 will be £390,949. This is because £793,000 of the reserve will be utilised during 2021 / 22 to fund the work on Local Development Scheme 2020 - 2022 and Local Development Plan Review. A further £391,000 will be utilised on the same projects during 2022 / 23. Therefore, the NHB reserve balance is projected to be £Nil as at 31/03/23.

3.14.5 In setting budgets and projections for individual years, it is important that the Council is not reliant on the use of reserves to support revenue expenditure thus creating an unsustainable future. Therefore, the use of these reserves is for one-off expenditure,

not to fund ongoing revenue costs and should be replenished where required over time.

3.15 Medium Term Financial Strategy (MTFS)

3.15.1 The MTFS is also being reported to the Strategy and Resources Committee and will be presented to the Council on 24 February 2022 for consideration at the same time as the suite of financial reports for 2022 / 23.

3.16 View on Risks

3.16.1 Risks to the Council's financial position could derive potentially from budget overspend, loss of investment income, contractual / legislative failure, shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council's outturn has been within budget and investment income has been above budget; therefore, this is not seen as a high risk to the Council, and it is not necessary to make additional significant provision. However, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that savings and income levels included in the budget are achieved, will be a key focus.

3.16.2 The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but it would be a low probability with a potentially high impact. However, it is not appropriate to set aside large amounts of reserve against the possibility of this happening and that appropriate bond / Parent Company Guarantee have been built into large contracts.

3.16.3 It is important to recognise that with the introduction of the Business Rates Retention, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of successful appeals. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies. It is important to ensure a high level of growth in the District, as any empty properties create a risk on the level of Business Rates income the Council will receive.

3.16.4 The impact of Coronavirus will continue in future years and assumptions have been made regarding how this might affect the Council's income streams. The following table sets some of these out.

Income Stream	2022 / 23 £000
Leisure Contract	-247
Business Rates compared to pre-COVID	-235
Increase in Kerbside Waste	-188
Lower Council Tax Collection Rate	-39
Total	-709

3.16.5 In the local government settlement for 2021 / 22 the following two grants were announced which we kept aside as a Covid-19 contingency:

- Covid-19 Funding.....£306,149;
- Lower Tier Services Grant£65,264.

- 3.16.6 In the provisional local government settlement for 2022 / 23 the Covid 19 Funding will cease but the Lower Tier Services Grant will increase by £3,481. The Covid contingency budget has now been removed and the remaining £68,745 taken as savings.
- 3.16.7 Section 25 of the 2003 Local Government Act requires the Section 151 Officer to make a formal report to the Council on the robustness of the budget and adequacy of reserves (**APPENDIX 5**).

4. CONCLUSION

- 4.1 After including all items within the financial projections, general fund and earmarked reserves at the start of 2022 / 23 are expected to be £13.241m with all known movements considered. The government has set the referendum threshold for the increase in the average band D council tax in 2022 / 23 for district councils at 2% or £5, whichever is the greater. Due to the unknown impact of future changes to Local Government finance, it is proposed that the Council should take the opportunity to increase its financial base by increasing the average band D council tax by £5, the maximum allowed for by the government before a referendum is required.

5. IMPACT ON STRATEGIC THEMES

- 5.1 This report sets out the resources that are and will be available to the Council in 2022 / 23 to meet the outcomes set out in the three strategic themes of Place, Community and Prosperity.

6. IMPLICATIONS

- (i) **Impact on Customers** – The budget process ensures that changes in service delivery resulting in budget changes are reviewed by Officers and Members so that any impact can be considered. In 2022 / 23, only essential budget growth has been considered.
- (ii) **Impact on Equalities** – The budget affects all residents in the District, it is not considered that the growth bids for 2022 / 23 individually impact negatively on an individual user group.
- (iii) **Impact on Risk** – The distribution of resources reflected in the revenue and capital budgets is designed to support the Authority's approach to risk management (i.e. to reduce all major corporate risks to a level within approved tolerances through the implementation of approved mitigation plans).
- (iv) **Impact on Resources (financial)** – This report details the impact on financial resources.
- (v) **Impact on Resources (human)** – The budget includes a pay inflationary increase.
- (vi) **Impact on the Environment** – None directly.

Background papers:

Budgetary Control Report to the Strategy and Resources Committee, 11 November 2021.

Growths Report to the Strategy and Resources Committee, 6 January 2022.

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