

Budget Targets 2022/23
Report of the Director of Finance

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect

Recommendations:

It is recommended that:

- (i) The expected timing of the Provisional Settlement be noted;
- (ii) The revenue spending targets for 2022/23 as set out in paragraph 2 are approved; and
- (iii) Members agree that the Capital Programme is determined by Cabinet on 11th February 2022

1. Introduction

- 1.1. This report presents Budget Targets for 2022/23.
- 1.2. The Targets are set out in paragraph 2 and represent an overall increase of £48.7 million or 8.4%.
- 1.3. The Provisional Local Government Finance Settlement has not yet been announced but is expected the week commencing 13th December although, at the time of writing this report, an exact date is not known. An update on the Provisional Settlement will be provided at the January Cabinet meeting.

2. 2022/23 Targets

- 2.1. As detailed within budget monitoring reports this year significant pressures are continuing to be experienced within Devon and across the country. The unprecedented set of circumstances faced by the country have led to demand growth, cost base increases and acute labour shortages.
- 2.2. Adult Care and Health and Childrens services in particular are continuing to experience in year operational pressures that are impacting financial performance. Many of these current year pressures are translating into budget pressures for 2022/23.
- 2.3. Estimates have been made of the implications of the spending review but not all of the inflation and service pressures identified can be contained within this additional funding or savings plans within the timescales required. It is therefore proposed to further support time limited pressures, invest to save programmes and to provide these critical services with time to manage demand and transform further by utilising some of our reserves. This

commitment and its implications will be detailed within the budget papers in January.

2.4. The Capital Programme for 2022/23 to 2026/27 will be presented to Cabinet at the February Budget meeting.

2.5. Since the spending review no further detailed figures have been released. The provisional settlement is still expected before Christmas, prior to recess on 16 December, but until this time the Authority will not have certainty around its funding for the coming financial year.

2.6. The proposed targets are set out in the table below.

	2021/22 Adjusted Budget *	Inflation & Pressures	Savings & additional Income	2022/23 Budget	Net change	
	£000	£000	£000	£000	£000	%
1 Adult Care & Health	283,294	47,875	(18,241)	312,928	29,634	10.5%
2 Childrens Services	159,036	28,787	(11,675)	176,148	17,112	10.8%
3 Communities, Public Health E&P	40,280	3,809	(2,846)	41,243	963	2.4%
4 Corporate Services	40,937	3,612	(2,830)	41,719	782	1.9%
5 Highways, Infrastructure D&W	57,124	3,349	(3,149)	57,324	200	0.4%
	580,671	87,432	(38,741)	629,362	48,691	8.4%

* Adjusted for permanent virements

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Electoral Divisions: All

Cabinet Member: Councillor Phil Twiss

Local Government Act 1972: List of Background Papers

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