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Chairman and Members of the
Council

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cc. All other recipients of the
Council agenda

Dear Councillor

COUNCIL - 1 MARCH 2023

Please find attached the Liberal Democrat Budget Amendment for the
above meeting:

(A) Liberal Democrat Budget Amendment (Pages 3 - 8)

MEETING : COUNCIL
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : WEDNESDAY 1 MARCH 2023
TIME : 7.00 PM

Agenda Item 10a

Liberal Democrat Group Budget Amendment

This Council decides to pause the proposed capital expenditure on the Development of the Old River Lane site in Bishop's Stortford, by moving this item to the **"Approved but not yet Committed"** category. This would reduce the Council's revenue expenditure for the Medium Term Financial Plan period and would allow time for full consultation with residents and all interested parties. It would not mean cancelling the project.

That the budget be amended as follows:

- Appendix A Medium Term Financial Plan being replaced with the attached new Appendix A with amended figures shown highlighted in yellow; and
- Appendix B Capital Programme being replaced with the attached new Appendix B with amended figures shown highlighted in yellow.

GENERAL FUND REVENUE BUDGET AND MEDIUM TERM FINANCIAL PLAN

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
378	Chief Executive & PA's	349	359	370	381	393
1,423	Communications, Strategy & Policy	1,457	1,491	1,527	1,563	1,602
534	Human Resources & Org Development	546	531	542	553	564
1,770	Strategic Finance & Property	2,076	2,119	2,163	2,208	2,244
594	Corporate	795	999	1,207	1,421	1,641
1,482	Legal & Democratic Services	1,505	1,545	1,586	1,627	1,671
2,298	Housing and Health	2,270	2,336	2,407	2,481	2,558
238	Capital Expenditure Charged to a Revenue Account	238	3,238	238	238	238
1,945	Planning & Building Control	1,966	2,028	2,091	2,156	2,223
2,277	Operations	1,909	1,396	2,313	2,392	2,555
976	Shared Revenues & Benefits Service	1,021	1,066	1,112	1,160	1,208
2,213	IT Shared service	2,313	2,313	2,313	2,313	2,313
	Pay inflation including 2022/23 award pressure	624	949	1,288	1,642	2,012
	Audit Fee increase	115	117	120	122	124
	Unavoidable service costs pressures	180	180	180	180	180
	Contract inflation including 2022/23 pressure	740	784	830	877	926
	Contract renewal cost pressures	50	100	550	50	-
16,129	Net Cost of Services	18,153	21,551	20,836	21,363	22,451

Transforming East Herts Savings

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
	Transforming East Herts Savings 2023/24	(822)	(822)	(822)	(822)	(822)
	Transforming East Herts Savings 2024/25		(1,807)	(1,807)	(1,807)	(1,807)
	Transforming East Herts Savings 2025/26			(1,892)	(1,892)	(1,892)
	Transforming East Herts Savings 2026/27				(1,099)	(1,099)
	Transforming East Herts Savings 2027/28					(594)
	Total Transforming East Herts Savings	(822)	(2,629)	(4,521)	(5,620)	(6,214)

Corporate Budgets

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
-	Fees & Charges Annual Review	(100)	(150)	(200)	(250)	(300)
20	Minimum Revenue Provision	557	1,424	1,424	1,453	1,465
459	Interest Payable on Loans	979	1,315	1,315	1,330	1,345
(750)	Investment Income	(1,000)	(900)	(800)	(800)	(800)
754	Pension Fund Deficit Contribution	637	637	637	674	674
483	Total corporate budgets	1,073	2,326	2,376	2,407	2,384

Reserves

2022/23 £'000		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
438	Contributions to Earmarked Reserves	590	190	490	335	-
(1,555)	Contributions from Earmarked Reserves	(1,408)	(3,606)	(900)		200
-	Planned Use of General Fund Balance		(300)	(300)		150
1,383	New Homes Bonus Cont to Reserve		250	250	-	-
265	Total reserves	(818)	(3,466)	(460)	335	350

Funding

2022/23 £'000		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
(150)	Capital Salaries	(150)	(150)	(150)	(150)	(150)
(3,616)	NDR	(2,933)	(2,933)	(2,933)	(2,933)	(2,933)
-	Business Rates Pool 22/23 Pooling Gain	(511)				
(1,900)	Section 31 Grants	(1,169)	(1,169)	(1,169)	(1,206)	(1,206)
2,386	(Surplus)/Deficit on Collection Fund	1,583		-	-	-
(689)	Government Grant	(1,361)	(688)	(641)	(594)	(547)
(1,383)	New Homes Bonus	(931)	(250)	(250)	-	-
(5,352)	Total Funding	(5,472)	(5,190)	(5,143)	(4,883)	(4,836)

11,526	Net Expenditure financed by Council Tax	12,113	12,592	13,088	13,602	14,135
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(11,526)	Demand on Collection Fund	(12,113)	(12,592)	(13,088)	(13,602)	(14,135)
62,610	Council Taxbase	63,893	64,493	65,093	65,693	66,293
184.09	Council Tax at Band D (£)	189.59	195.24	201.06	207.05	213.22

Percentage Increase in Council Tax	2.99%	2.98%	2.98%	2.98%	2.98%
£ increase in Council Tax	5.50	5.65	5.82	5.99	6.17

EAST HERTS DISTRICT COUNCIL CAPITAL PROGRAMME 2023/24 TO 2027/28

APPROVED SCHEMES	Schemes expenditure to 31/03/22 £000	2022/23 Forecast Outturn	2023/24 Original Budget	2024/25 Original Budget	2025/26 Original Budget	2026/27 Original Budget	2027/28 Original Budget	Scheme Total £000
Land and Buildings								
Investment in operational assets		205	250	250	100	100	100	1,005
Buntingford Depot		-	-	800	-	-	-	800
Hartham Leisure Centre - Extension	4,713	4,280	2,078	-	-	-	-	11,071
Hertford Theatre	2,975	10,572	10,558	-	-	-	-	24,105
Northgate End Regeneration (MSCP, domestic and non-domestic units)	21,820	3,117	-	-	-	-	-	24,937
Old River Lane Regeneration and Arts Centre	2,815	500	-	-	-	-	-	3,315
Total Land and Buildings	32,323	18,674	12,886	1,050	100	100	100	65,233
Vehicles and Equipment								
Refuse & recycling containers		-	-	550	-	-	-	550
ICT Rolling programme		470	450	450	450	450	450	2,720
Total Vehicles and Equipment		470	450	1,000	450	450	450	3,270
Community Assets								
Open Space Improvements:								
Replacement play equipment across the district		-	50	50	50	50	50	250
Castle Park - HLF - Delivery Phase		1160	2,700	94	-	-	-	3,954
Total Community Assets		1,160	2,750	144	50	50	50	4,204
Grant funded Programmes								
Local Authority Housing Fund		527	1,230					1,757
								-
		527	1,230	-	-	-	-	1,757

APPROVED SCHEMES	Schemes expenditure to 31/03/22	2022/23 Forecast Outturn	2023/24 Original Budget	2024/25 Original Budget	2025/26 Original Budget	2026/27 Original Budget	2027/28 Original Budget	Scheme Total £000
Revenue Expenditure Funded as Capital Under Statute (REFCUS)								
Home Improvement Loans		20	120	120	120	120	120	620
Community Capital Grants		127	50	50	50	50	50	377
Green Deal Loans		20	20	20	20	20	20	120
Rivers and Watercourse Maintenance		48	48	48	48	48	48	288
Land Management Asset Register & Associated Works		50	50	50	50	50	50	300
Total REFCUS		265	288	288	288	288	288	1,705
TOTAL CAPITAL EXPENDITURE	32,323	21,096	17,604	2,482	888	888	888	76,169

FUNDED BY:

Borrowing (Internal)		(1,658)	(368)	-	-	-	-	(2,026)
Borrowing (External)		(13,701)	(7,532)	-	(350)	(350)	(350)	(22,283)
Capital Receipts		(1,600)	(2,910)	(2,111)	(250)	(250)	(250)	(7,371)
Capital Grants Applied		(3,712)	(3,506)	(83)	-	-	-	(7,301)
Capital Expenditure Charged to a Revenue Account		(425)	(3,288)	(288)	(288)	(288)	(288)	(4,865)
TOTAL CAPITAL PROGRAMME FUNDING	(32,323)	(21,096)	(17,604)	(2,482)	(888)	(888)	(888)	(76,169)

APPROVED BUT NOT YET COMMITTED								
Schemes approved not yet committed								
Transformation Programme			1,000	2,000	2,000			5,000
Ward Freman Joint Use Facilities					1,100			1,100
Elizabeth Road Redevelopment				200	1,500			1,700
Old River Lane Regeneration and Arts Centre			2,000	12,000	6,077			20,077
Historic Building Loans			20	20	20	20	20	100
Queens Road Ware Temporary Accomodation	377		180					557
Capital Contingency - Major Projects			1,500	-	-	-	-	1,500
TOTAL APPROVED BUT NOT YET COMMITTED	377		4,700	14,220	10,697	20	20	30,034
Funded by:								
Borrowing			(2,593)	(12,200)	(8,247)	-	-	(23,040)
Capital Receipts			(1,000)		-	-	-	(1,000)
Capital Grants Applied	-377		(87)	-	-	-	-	(464)
Use of Earmarked Reserves			(1,000)	(2,000)	(2,000)			(5,000)
Capital Expenditure Charged to a Revenue Account			(20)	(20)	(20)	(20)	(20)	(100)
TOTAL APPROVED BUT NOT YET COMMITTED	-377		(4,700)	(14,220)	(10,267)	(20)	(20)	(29,604)

NOTE:
Schemes Approved but not yet Committed are those schemes where past experience has indicated there are traditionally underspends or there are specific issues with a scheme proceeding that is outside the control of the Council. Approval by Council provides protection for the budgeted scheme for the year(s) indicated. Schemes are Committed by the Head of Strategic Finance in consultation with the Executive Member for Financial Sustainability. Virements are forbidden from these budgets without the authority of Council to prevent these budgets being committed to cover overspends or for immediate transfer to new schemes that do not have Council approval.