



Report to Policy Committee

Author/Lead Officer of Report: Ryan Keyworth,
Director of Finance and Commercial Services

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Report of: Ryan Keyworth & Ajman Ali
Report to: Community Parks and Leisure Policy Committee
Date of Decision: 14/11/2022
Subject: 2023/24 Budget Position

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? (<i>Insert reference number</i>)				
Has appropriate consultation taken place?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
The exemption applies to the appended closed report:- “The appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).”				

Purpose of Report:

This report updates in the Policy Committee on the progress of the 2023/24 budget process.

The appendix contains specific budget proposals that the Committee are asked to endorse

Recommendations:

The Committee is recommended to:

1. Note the update on the Council’s 2023/24 budget position.
2. Endorse the budget proposals set out in Appendix 1

Background Papers:

[12 October 2022 Strategy and Resources Committee Report](#)

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Ryan Keyworth, Director of Finance and Commercial Services</i>
		Legal: <i>David Hollis, Assistant Director, Legal and Governance</i>
		Equalities & Consultation: <i>James Henderson, Director of Policy, Performance and Communications</i>
		Climate: <i>n/a</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	<i>Ryan Keyworth</i>
3	Committee Chair consulted:	<i>Richard Williams</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Ryan Keyworth</i>	Job Title: <i>Director of Finance and Commercial Services</i>
	Date: <i>1st November 2022</i>	

1. PROPOSAL

1.1. This report updates in the Policy Committee on the progress of the 2023/24 budget process.

1.2. S&R received the sum of the Policy Committee Budget Proposals on 12 October. This left a £19.6m remaining gap assuming that all proposals Noted by Policy Committees are ultimately approved	General Fund Revenue Budget (£m)	Pressure	Noted by Committee	Mitigations to find
	AHSC	25.0	-25.0	0.0
	ECF	12.4	-6.9	5.5
	Housing	0.7	-0.5	0.2
	TRC	3.4	-0.8	2.6
	EDS	0.6	-0.5	0.1
	WSS	11.5	-0.9	10.6
	CPL	2.3	-2.3	0.0
	S&R (Corporate)	16.7	-16.7	0.0
	S&R (Committee)	7.8	-7.2	0.6
	Total	80.4	-60.8	19.6

1.3. **There are some potential improvements to this position**

Work is still in progress, particularly with the Education, Children and Families Committee which is resulting in further savings being identified.

It is hoped that this will improve the position to leave around £15m still to be found.

1.4. **We need to find options to close most, if not all of this gap**

Based on the latest budget monitoring, by the end of the financial year we will have used around £54m of the £70m reserves we earmarked to support a return to financial sustainability.

That means we can't use reserves to balance next year's budget – we don't have the scope to fill recurrent overspends with one-off reserves and if we do, we'll find ourselves under increasing external scrutiny.

1.5. **We can afford some one-off costs for change**

We can use the remaining £16m of reserves to help us change our organisation to both deliver on our plans and operate at a lower ongoing cost.

1.6. **Ultimately, it's for S&R to recommend a budget to Council**

In the Council's constitution, it is for the Strategy and Resources Committee to recommend a budget to Full Council. This applies to both the Housing Revenue Account business plan and rent setting report to the 1 February 2023 full Council meeting and the rest of the budgets and Council Tax level report to the 1 March 2023 Full Council meeting.

The process we have followed this year with Policy Committees was designed to provide the maximum level of individual Policy Committee involvement in the process that is allowed by the Constitution.

Time is now against us, and it may be necessary for S&R to make recommendations to Council that have not been

explicitly approved by the relevant Policy Committee in a public meeting.

November Policy Committees and December Strategy and Resources Committee

1.7. **The November Policy Committees can be the first step to approval**

The original intention was for Policy Committees to endorse their overall budgets and recommend them to Strategy and Resources which would in turn recommend the budget to Full Council.

That may still be possible for some Committees where proposals have widespread political support and where the necessary consultations with stakeholders have taken place to allow proposals to be set out in public.

Where this is possible, a separate report on this agenda will set that out.

1.8. **5 December S&R will need an almost final position**

There will be no time to alter the Housing Committee's Housing Revenue Account business plan and budget after Christmas if the Housing Rent setting decision is to be made at the 1 February Council.

There may be time leading up to Christmas to make minor changes to the General Fund budget leading up to 1 March Council, but not much.

There will also be significant work to do on public consultation, equality and climate impacts and other stakeholder engagement in the time between Christmas and mid-February.

We need a solid position ahead of what could be an uncertain and late Local Government Finance Settlement.

2. HOW DOES THIS DECISION CONTRIBUTE?

The recommendations in this report are central to the process of completing the Council's 2023/24 budget process in good time.

3. HAS THERE BEEN ANY CONSULTATION?

There has been no consultation on this report, however, it is anticipated that the budget process itself will involve significant consultation as the Policy Committees develop their budget proposals.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1. Equality Implications

There are no direct equality implications arising from this report. It is expected that individual Committees will use equality impact analyses as a basis for the development of their budget proposals in due course.

4.2. Financial and Commercial Implications

There are no direct financial implications from this report.

4.3. Legal Implications

Under section 25 of the Local Government Act 2003, the Chief Finance Officer of an authority is required to report on the following matters:

- the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
- the adequacy of the proposed financial reserves.

There is also a requirement for the authority to have regard to the report of the Chief Finance Officer when making decisions on its budget requirement and level of financial reserves.

By the law, the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

4.4. Climate Implications

There are no direct climate implications arising from this report. It is expected that individual Committees will consider climate implications as they develop their budget proposals in due course.

4.5. Other Implications

No direct implication

5. **ALTERNATIVE OPTIONS CONSIDERED**

The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

6. **REASONS FOR DECISION**

The Council is required by law to set a balanced budget each year. This report is pursuant to that objective and is in line with the process and timetable agreed by the Strategy and Resources Committee on 31 May 2022 and 5 July 2022.

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