

## AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2023/24 AND FUTURE YEARS FORECASTS

A summary of the Cllr Brodie Amendment is described in the table below – this is for information only

### Summary

Ref No	CHANGES IN SPENDING & COUNCIL TAX	2023/24 £	Future Years £
<b>Reinstatement of Budget Savings</b>			
2	Re-instate Falls Prevention co-ordinator funding to NHS Trust	67,000	67,000
3	Re-instate Social Care Stroke Support Contract	70,000	70,000
12	Withdraw the review of background support provision at Brooklime house	12,000	12,000
30	Limit the Increase of Bereavement Services Fees and Charges to 10% in 2023/24 and increase by the full 20% in 2024/25	150,000	0
<b>TOTAL AMOUNT TO BE FUNDED</b>		<b>299,000</b>	<b>149,000</b>

Ref No	REDUCTION IN SPENDING & RESERVES	2023/24 £	Future Years £
<b>Transfer from Reserves</b>			
New	Transfer from Revenue Reserve for Capital - contingency sum held for inflation and cost overrun across the council's whole capital programme	(299,000)	0
New	Contribution to Capital Reserve - Contingency to be held for inflation and cost overrun across the council's whole capital programme	299,000	0
	<b>Sub Total</b>	<b>0</b>	<b>0</b>
<b>Capital Programme Reductions</b>			
33	ICT Equipment Programme - reduce 2026/27 allocation	(299,000)	
	<b>Sub Total</b>	<b>(299,000)</b>	<b>0</b>
<b>Impact on General Reserves</b>			
New	Use of General Fund Reserves	0	(149,000)
<b>TOTAL REDUCTIONS - REVENUE, CAPITAL &amp; RESERVES</b>		<b>(299,000)</b>	<b>(149,000)</b>

The full Amendment to Full Council recommendations are attached on the pages that follow

## Amendment proposed by Cllr Brodie

### BUDGET & COUNCIL TAX SETTING 2023/24 AND FUTURE YEARS FORECASTS

#### Recommendation 1(a) be amended to:

1(a) The revised Revenue Budget for the financial year 2022/23 and the Revenue Budget for the financial year 2023/24 as set out in the General Fund Summary (attached as Appendix 1 amended) which includes:

- (i) Additional spending in Adult Social Care of £7.6m and Children's Services of £4.3m
- (ii) No Revenue Contribution to Capital in 2022/23 or 2023/24
- (iii) The Covid Contingency estimated at £4.2m, to guard against continuing and legacy risks

Appendix 1 (Amended) includes the following changes listed in the tables below:

#### i) Additional Savings - Reductions to Budget Estimates

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2023/24	2024/25 & Future Years
		£	£
<b>Strategic Finance, Transformational Change &amp; Corporate Resources</b>			
New	Transfer from Revenue Reserve for Capital - contingency sum held for inflation and cost overrun across the council's whole capital programme	(299,000)	0
	<b>Total</b>	<b>(299,000)</b>	<b>0</b>

ii) **Additional Costs - Additions to Budget Estimates**

<b>Saving No.</b>	<b>Increases to Portfolio Budgets</b>	<b>2023/24 £</b>	<b>2024/25 &amp; Future Years £</b>
<b>Adult Social Care &amp; Public Health</b>			
2	Re-instate Falls Prevention co-ordinator funding to NHS Trust	67,000	67,000
3	Re-instate Social Care Stroke Support Contract	70,000	70,000
12	Withdraw the review of background support provision at Brooklime house	12,000	12,000
<b>Community Protection, Regulatory &amp; Waste</b>			
30	Limit the Increase of Bereavement Services Fees and Charges to 10% in 2023/24 and increase by the full 20% in 2024/25	150,000	0
<b>Total</b>		<b>299,000</b>	<b>149,000</b>

Note:

**The responsibility of the Council is to approve the overall Budget and the associated cash limits of its Portfolios; it is not the responsibility of the Council to approve any individual savings or additions within those Portfolios, that responsibility is reserved for Cabinet Members. The budget savings and additions in the table(s) above are therefore indicative only.**

### Recommendation 1(g) be amended to:

The savings proposals for each Portfolio amounting, in total, to £3.596m for 2023/24 as set out below:

Portfolio	Savings Proposal	
	£	% Budget
Adult Social Care & Public Health*	1,094,500	2.0%
Children's Services, Education & Lifelong Skills*	299,000	1.0%
Climate, Environment, Heritage, HR, Legal & Democratic Services	128,000	1.6%
Community Protection, Regulatory & Waste	280,000	3.0%
Digital Transformation, Housing, Homelessness & Poverty	255,000	2.7%
Infrastructure, Highways PFI & Transport **	536,600	4.2%
Leader & Strategic Oversight	150,000	20.5%
Levelling Up, Regeneration, Business Development & Tourism	130,000	2.7%
Planning & Enforcement	45,000	1.7%
Strategic Finance, Transformational Change & Corporate Resources	677,900	7.3%
<b>Grand Total</b>	<b>3,596,000</b>	<b>2.6%</b>

\* Excludes the additional funding passported through to Adult Social Care of £7.6m (which if included would result in an overall increase of 11.9%) and the additional funding for Children's Services, Education & Lifelong Skills of £4.3m (which if included would result in an overall increase of 14%)

\*\* Excludes £19.4m of PFI grant funding, on a gross expenditure basis the saving amounts to 1.7%

### Recommendation 1(h) be amended to:

Directors be instructed to start planning how the Council will achieve the savings requirements of £6.15m for the 3 year period 2024/25 to 2026/27 and that this be incorporated into Service Business Plans

### Recommendation 1(k) be amended to:

The new Capital Investment Proposals ("New Starts") - 2023/24 set out in Appendix 4 be reflected within the recommended Capital Programme 2022/23 to 2027/28 and be funded from the available Capital Resources, be amended to reflect the following changes:

Scheme Description - Reductions & Additions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
		£	£
<b>Reductions / Deletions to Proposed Capital Schemes:</b>			
33	ICT Equipment Programme - reduce 2026/7 allocation	(299,000)	1,296,900
<b>Total Overall Change</b>		<b>(299,000)</b>	

### Recommendation 1(l) be amended to:

The Capital Programme 2022/23 to 2027/28 set out in Appendix 5 (Amended) which includes all additions, deletions and amendments for slippage and re-phasing

### Recommendation 1(r) to be added:

That delegated authority be given to the S.151 Officer to make any necessary changes to either the Investment Strategy or the Capital Strategy in accordance with the proposed changes to the capital programme set out in this amendment

## **SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 1(j), Members must have regard to the Statement of the Section 151 Officer in accordance with the Local Government Act 2003. The Section 151 Officer advises as follows:-**

The amendment presents significant operational risk to the Council in the medium term. The Strategic Manager for ICT has advised that reducing the proposed Capital Investment set out in Appendix 4 Equipment Programme (Ref 33) by £299,000 in 2026/27 will have the following risks in 2026/27:

- a) It would significantly reduce the amount of replacement equipment able to be procured. The reduction in budget would reduce the number of laptops by 205 and the number of replacement mobile phones by 320. This would leave front line services staff without supported and secure devices, significantly increasing the risk to the council of cyber-attack or loss of productivity as the staff would no longer have the appropriate devices to fulfil their roles

**Note:**

**Mobile phones are allocated across all areas of the council, but the two main users are Adult Social Care and Children's Social Care**

The Amendment is contrary to the Council's approved Medium Term Financial Strategy and Capital Strategy and reduces the Council's financial resilience for the following reasons:

- (a) It creates a "structural deficit" in the Budget for 2023/24 as "in year spending is not matched by in year funding"; the level of expenditure relies on the draw down of £299,000 from a Reserve
- (b) Without any proposal to meet the funding gap arising directly from the re-instatement of savings, a further Budget Deficit of £149,000 will arise in 2024/25
- (c) The Council's overall forecast financial deficit over the period 2024/25 to 2026/27 will rise from £6.0m to £6.150m an increase of £150,000
- (d) The £6.15m deficit contained within this proposal results in a higher level of savings required as follows (compared with the Administration's proposal to make £2.0m of savings per annum for the 3 year period 2024/25 to 2026/27):
  - a. 2024/25 - £2.05m
  - b. 2025/26 - £2.05m
  - c. 2026/27 - £2.05m
- (e) Assuming that savings of £6.15m are achieved over the period 2024/25 to 2026/27, the level of General Reserves will fall by £147,000 by 2026/27
- (f) Should the additional savings of £50,000 per annum (as required by this amendment) not be made, then General Reserves will fall by £447,000 by 2026/27 and the "structural deficit" will persist
- (g) It is not prudent to assume that sufficient Capital Funding will be available in future years' to re-instate funding for ICT that has been withdrawn; it is a key feature of the Council's approved Medium Term Financial Strategy and Capital Strategy that funding surety is provided for the medium term for any necessary investment that is critical to essential operational service delivery

**LEGAL IMPLICATIONS**

It is within the Council's powers to approve the amendment as set out above.

**EQUALITY AND DIVERSITY**

The amendment does not alter the content or conclusions set out in the Equality Impact Statement at Appendix 8

## GENERAL FUND SUMMARY - 2022/23 to 2026/27

## APPENDIX 1 (Amended)

NET REQUIREMENTS OF PORTFOLIOS	REVISED BUDGET 2022/23 £	ORIGINAL BUDGET 2023/24 £	FORECAST 2024/25 £	FORECAST 2025/26 £	FORECAST 2026/27 £
Adult Social Care & Public Health	57,301,725	56,276,609	58,413,982	61,274,044	64,117,887
Children's Services, Education & Lifelong Skills	32,130,952	32,894,702	33,985,750	35,983,301	37,521,652
Climate, Environment, Heritage, HR, Legal & Democratic Services	7,130,784	7,318,082	7,537,064	7,705,389	7,900,126
Community Protection, Regulatory & Waste	5,247,249	5,568,282	5,846,461	6,266,266	6,665,127
Digital Transformation, Housing, Homelessness & Poverty	9,791,155	9,589,204	9,517,745	9,612,200	9,731,413
Infrastructure, Highways PFI & Transport	16,182,200	16,136,482	16,822,398	17,352,096	17,915,398
Leader & Strategic Oversight	1,323,941	1,055,550	1,087,023	1,110,689	1,135,588
Levelling Up, Regeneration, Business Development & Tourism	2,063,249	718,232	815,387	898,801	983,323
Planning & Enforcement	1,143,307	589,505	642,045	688,523	735,702
Strategic Finance, Transformational Change & Corporate Resources	28,291,561	48,656,141	55,742,987	54,762,704	53,850,770
Savings to be identified	0	0	(2,050,000)	(4,100,000)	(6,150,000)
<b>Portfolio Expenditure</b>	<b>160,606,123</b>	<b>178,802,789</b>	<b>188,360,840</b>	<b>191,554,012</b>	<b>194,406,984</b>
<b>FUNDED BY:</b>					
Contribution (to)/from Balances & Reserves	126,766	(7,347)	(415,125)	228,102	(27,509)
Revenue Support Grant	4,757,433	5,356,976	5,596,610	5,596,610	5,550,644
Business Rates Retention	30,453,547	41,958,105	44,438,732	43,438,732	42,994,345
Other General Grants	31,497,188	33,910,935	35,315,045	35,554,670	35,847,371
Collection Fund (Council tax)	93,771,189	97,584,120	103,425,578	106,735,898	110,042,133
<b>Total Financing</b>	<b>160,606,123</b>	<b>178,802,789</b>	<b>188,360,840</b>	<b>191,554,012</b>	<b>194,406,984</b>
<b>BALANCES &amp; RESERVES</b>					
Balance brought forward at 1 April	12,057,637	11,930,871	11,938,218	12,353,343	12,125,241
(Deficit)/Surplus for year	(126,766)	7,347	415,125	(228,102)	27,509
<b>Balance carried forward at 31 March</b>	<b>11,930,871</b>	<b>11,938,218</b>	<b>12,353,343</b>	<b>12,125,241</b>	<b>12,152,750</b>
<b>Minimum level of balances</b>	<b>7,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>Underlying Budget Deficit/(Surplus) - assuming future savings are met</b>	<b>126,766</b>	<b>(7,347)</b>	<b>(415,125)</b>	<b>228,102</b>	<b>(27,509)</b>

## APPENDIX 5 (Amended)

### COMPLETE CAPITAL PROGRAMME INCLUDING NEW SCHEMES

	FORECAST 2022/23	ESTIMATE 2023/24	ESTIMATE 2024/25	ESTIMATE 2025/26	ESTIMATE 2026/27	ESTIMATE 2027/28	ESTIMATE TOTAL
	£	£	£	£	£	£	£
<b>SUMMARY OF PORTFOLIOS</b>							
Adult Social Care and Public Health	247,246	3,157,372	1,092,421	0	0	0	4,497,039
Children's Services, Education and Lifelong Skills	8,529,282	6,933,889	2,441,490	0	0	0	17,904,661
Digital Transformation, Housing, Homelessness and Poverty	2,859,802	16,596,723	17,273,050	20,148,450	516,000	738,400	58,132,426
Climate Change, Environment, Heritage, Resources and Legal and Democratic Services	652,529	6,430,360	1,424,000	5,875,000	32,300,000	0	46,681,888
Community Protection, Regulatory Services and Waste	2,084,217	2,340,943	2,808,418	0	0	0	7,233,578
Infrastructure, Highways PFI and Transport	9,568,126	11,253,869	877,320	1,093,210	1,557,840	0	24,350,365
Levelling Up, Regeneration, Business Development and Tourism	5,993,587	4,829,520	12,918,381	6,250,000	0	2,194,000	32,185,488
Strategic Finance, Transformational Change and Corporate Resources	2,077,613	2,223,655	860,000	0	0	0	5,161,268
<b>Total Capital Programme</b>	<b>32,012,400</b>	<b>53,766,331</b>	<b>39,695,080</b>	<b>33,366,660</b>	<b>34,373,840</b>	<b>2,932,400</b>	<b>196,146,711</b>
<b>Total Financing</b>	<b>32,012,400</b>	<b>53,766,331</b>	<b>39,695,080</b>	<b>33,366,660</b>	<b>34,373,840</b>	<b>2,932,400</b>	<b>196,146,711</b>