

COUNCIL

22 February 2023

Update to the Budget 2023-24 and Medium-Term Financial Plan 2023-27 Report

Report of Councillor Richard Wearmouth – Deputy Leader and Portfolio Holder for Corporate Services

Executive Director: Jan Willis, Executive Director of Finance and Section 151 Officer

1. Purpose of Report

1.1 The purpose of this report is to update Members with matters relating to the Budget 2023-24 which have arisen following publication of the report which was presented to the all-Member Corporate Services and Economic Growth Overview and Scrutiny Committee on 13 February 2023 and then Cabinet on 14 February 2023.

2. Summary

2.1 Members are requested to note that the Final Local Government Finance Settlement 2023-24 has now been received and the figures within Appendix 1 of the Budget 2023-24 and Medium-Term Financial Plan 2023-27 report, which was presented to Corporate Services and Economic Growth Overview and Scrutiny Committee on 13 February 2023 and Cabinet on 14 February 2023 have been updated to reflect the changes in the settlement.

2.2 Members are requested to note the amendments to the report and appendices outlined in Section 4.

2.3 Members are requested to approve the amended recommendations outlined in Section 5 of this report.

2.4 Members are requested to agree to the withdrawal of recommendation 43 in the original report.

3. Final Settlement

3.1 The Final Local Government Finance Settlement figures were received from the Department for Levelling Up, Housing and Communities on 6 February 2023. The settlement figures had changed from the provisional settlement figures as follows:

- a) the Rural Services Delivery Grant has increased by £0.289 million, from £2.456 million to £2.745 million; and
- b) the Services Grant has increased by £0.110 million, from £2.677 million to £2.787 million.

3.2 These revisions have been reflected within Appendix 1 (attached), which now replaces Appendix 1 of the Budget 2023-24 and Medium-Term Financial Plan 2023-27 report, which was presented to Corporate Services and Economic Growth Overview and Scrutiny Committee on 13 February 2023 and Cabinet on 14 February 2023.

4. Changes to the Budget Report and Appendices

4.1 To reflect the Final Settlement figures, a number of appendices have been amended and are attached to this report; superseding those shown in the Budget 2023-24 and Medium-Term Financial Plan 2023-27 report, which was presented to Corporate Services and Economic Growth Overview and Scrutiny Committee on 13 February 2023 and Cabinet on 14 February 2023. They are as follows:

Appendix 1 - Budget 2023-24 and Medium-Term Financial Plan 2023-24 to 2026-27 (page 38)

Appendix 3 – Schedule of Reserves and Provisions 2023-24 to 2026-27 (pages 42 and 43)

Appendix 11 – Budget by Service Area 2023-24 (pages 73 and 74)

5. Recommendations

5.1 The main budget report recommendations 7, 13, and 22 have been updated to reflect the changes outlined in this report. The revised recommendations are as follows:

- 7. Note the estimated receipt of Rural Services Delivery Grant of £2.745 million in 2023-24 contained within Appendix 1.
- 13. Note the estimated receipt of the Services Grant of £2.787 million in 2023-24 contained within Appendix 1.

22. Approve:

The net contributions from the Strategic Management Reserve of £12.739 million in 2023-24 and note the proposed contributions from reserves of £15.792 million in 2024-25, £6.335 million in 2025-26 and the proposed contribution to reserves of £1.032 million in 2026-27 contained within Appendix 1, comprising:

- a) non-recurrent pressures of £5.898 million for 2023-24, and note the non-recurrent pressures totalling £4.528 million in 2024-25; £0.935 million in 2025-26 and £0.159 million in 2026-27 (as detailed within Appendix 8; excluding the Adult Social Care Discharge Fund, Adult Social Care Market and Sustainability and Improvement Fund, Locality Coordinators, Council Tax Support Fund and Transformation Programme),
- b) the Active Northumberland Management fee of up to £1.000 million in 2023-24,
- c) delayed receipt of investment income from the airport of £0.957 million in 2023-24; and that interest of £0.161 million in 2024-25, and £1.191 million in 2025-26 and 2026-27 will be repaid into the reserve in this respect,
- d) revenue contribution to capital (RCCO) of £8.171 million in 2024-25 and £6.591 million in 2025-26 for investment in the Schools' Development Programme, and,
- e) contribution from the reserve of £4.884 million in 2023-24 and note the subsequent proposed use of £3.254 million in 2024-25 in order to balance the budget.

IMPLICATIONS ARISING OUT OF THE REPORT

Policy:	This is the first year of the Medium-Term Financial Plan 2023-27. The plan supports the priorities outlined in the Corporate Plan.
Finance and value for money:	The financial implications of the Budget 2023-24 and the Medium-Term Financial Plan 2023-27 are detailed within this report and the report presented to 13 February 2023 Corporate Services and Economic Growth Overview and Scrutiny Committee and 14 February 2023 Cabinet meetings.
Legal:	It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, revised under Section 31 of the Localism Bill 2011, for the Council to produce a balanced budget. The Council also has a fiduciary duty not to waste public resources.
Human Resources:	There are no human resources implications within this report.
Property:	There are no property implications within this report.
Equalities: (Impact Assessment attached) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	The interim Executive Director of Communities and Business Development has provided an overarching equality review, which identifies the main issues that need to be considered in setting the budget. Cabinet will be asked to consider changing the budget proposals should it at a later stage prove not to be possible to mitigate an unacceptable equality impact.
Risk Assessment:	The risks associated with the budget proposals are regarded as acceptable, but these risks will continue to be reviewed up to and including implementation of the detailed proposals.
Carbon Reduction:	There are no carbon reduction implications within this report.
Crime & Disorder:	There are no specific crime and disorder implications within this report.
Customer Consideration:	The individual proposals will carefully consider the impact upon both customers and residents of Northumberland.

Consultation: During January 2023 consultation on the Budget 2023-24 and Medium-Term Financial Plan 2023-27 has taken place at the five Local Area Councils in Northumberland.

Health & Wellbeing: The Council's budget is founded on the principle of promoting inclusivity

Wards All wards in Northumberland

BACKGROUND PAPERS:

Date	Report to	Report
13 February 2023	Corporate Services & Economic Growth OSC	Budget 2023-24 and Medium-Term Financial Plan 2023-27
14 February 2023	Cabinet	Budget 2023-24 and Medium-Term Financial Plan 2023-27

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

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Portfolio Holder	Richard Wearmouth

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