



Report to:	Scrutiny & Overview Committee	19 January 2023
Lead Cabinet Member:	John Williams - Lead Cabinet Member for Finance	
Lead Officer:	Peter Maddock - Head of Finance	

Draft Budget 2023/24

Executive Summary

1. Attached are the detailed budget packs for each of the Council's service areas these are at appendices 1 to 7 which are General Fund (GF) budgets and the Housing Revenue Account (HRA) budget at appendix 8. Each pack forms a part of the budget that will be presented to Cabinet on 6 February 2023 before going on to the Council budget setting meeting on 21 February 2023. These are the draft figures for 2023/24 and an update for 2022/23 referred to as the probable outturn.

Key Decision

2. No

Recommendations

3. It is recommended that Scrutiny & Overview Committee consider and review the budget packs as presented and make recommendations to Cabinet as appropriate prior to adoption by Council.

Reasons for Recommendations

4. The budget packs contain a vast amount of financial and narrative information therefore scrutiny of the information by this committee will be helpful in ensuring the information is complete, accurate and easy to follow.

Details

Budget Packs

5. A budget pack is presented for each service area numbered from appendices 1 to 8 on a service by service basis and made up of a number of pages, the purpose of each page(s) are detailed below.

6. A front sheet giving the title of the service area and the budget year.
7. A summary page listing the main budget categories. The first part of the table lists the direct services, that is those that are charged directly to the GF in the case of appendices 1 to 7. The total shown as 'Service area total' is the amount that is borne by the GF. The second part lists the indirect services provided and these are recharged to other services within the GF or the HRA as appropriate. The total here is the overall spend of the service area in question. The final analysis shows how much of the net budget of each service area is borne by the GF and how much by Earmarked Reserves. The amounts funded by earmarked reserves are of a one off nature with a timeframe generally not exceeding three years.
8. The next pages show the detail behind the summary at individual budget heading level and include figures on a budget by budget basis with some narrative explaining what the budget is for and commenting on any major movements between years. The total on each page corresponds to a line total on the aforementioned summary page.
9. The final page is a subjective analysis and shows the budget by types of expenditure. The headings used are those determined by Service code of Practice (SeRCOP) generally adopted by local authorities.
10. The budget packs will feed into a budget summary to be provided to the Cabinet meeting in February along with other corporate amounts and taxation income some of which has yet to be set or ratified.
11. The HRA budget papers are structured slightly differently and include some overall commentary on the HRA the estimate summary over two pages and an HRA Medium Term Financial Strategy (MTFS), otherwise the pack is broadly the same.
12. The provisional settlement received on 19 December 2022 is on the basis of grant income for 2023/24 being around £600,000 higher than that predicted in the Medium Term Financial Strategy presented to this Committee at its last meeting. This showed a budget gap of £106,000 for next year. It now looks highly likely there will not now be a gap when all the budget figures are available.

Options

13. The option of not considering the budget reports exists but is not recommended.

Implications

14. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

Financial

15. The figures included will form part of the overall budget that will be presented to Cabinet on 06 February 2023 and council on 21 February 2023.

Legal

16. The Council is required by law to set a balanced revenue budget each year. There are two specific dates in relation to budget and Council Tax setting that are required by statute to be achieved. Firstly, it is a requirement that each local authority approves its Revenue Budget by 28 February each year for the forthcoming financial year. Secondly, a billing authority (i.e. this Council) is required to set the Council Tax for its area by 11 March each year for the forthcoming financial year.

Risks/Opportunities

17. The figures presented are estimates and there is always a risk that actual spend will exceed budgets set and this could be down to a number of different factors such as inflation over and above that assumed in budget setting, shortfalls in income or unexpected but essential spend. Equally actual spend could be below budget. The council does hold unearmarked balances for both the GF and HRA and these act as a form of contingency in these circumstances. There is also a general contingency of £250,000 in the GF budget.

Consultation responses

18. None, except budget holders.

Background Papers

The following documents are relevant to this report:

- General Fund Budget Report – Report to Cabinet: 7 February 2022
- General Fund Budget – Report to Council: 22 February 2022
- Housing Revenue Account Budget - Report to Cabinet: 7 February 2022
- Housing Revenue Account Budget - Report to Council: 22 February 2022
- Medium Term Financial Strategy – Report to Cabinet: 12 December 2022

Appendices

Appendix 1 -7: Service area budgets charged to the General Fund

Appendix 8: Housing Revenue Account Budget

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