

Name of meeting: Council (Reference from Cabinet)

Date: 7 September 2022

Title of report: Council budget strategy update; 2023/24 and future years

Purpose of report

To determine the Cabinet's approach to the annual update of the Council's Medium Term Financial Plan (MTFP). This is reported to full Council each year, and sets a framework for the development of draft spending plans for future years by officers and Cabinet.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer Henshall 24 August 2022
Is it also signed off by the Service Director for Finance IT and Transactional Services?	Eamonn Croston 24 August 2022
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	Julie Muscroft 24 August 2022
Cabinet member portfolio	Councillor Paul Davies

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public report

GDPR: This report contains no information that falls within the scope of General Data Protection Regulations.

1. **Summary**

The appended report is submitted to the meeting of Cabinet on 5 September 2022 for consideration, and for Cabinet to make a recommendation to Council.

2. **Information required to take a decision**

(see appended report)

3. **Implications for the Council**

(see appended report)

4. **Consultees and their opinions**

(see appended report)

5. **Next steps**

- 5.1 The Council's Chief Finance Officer (& Service Director, Finance) will co-ordinate the development of draft budget proposals and options and supporting budget documentation within the budget framework and planning totals along with the development of the budget consultation process.
- 5.2 Council officers will continue to work with Cabinet on a range of management actions and proposals to reduce the in-year forecast £18.8m general fund revenue overspend, as far as possible, in conjunction with concerted sectoral lobbying to Government for additional funding; both in-year and for 2023/24, that properly acknowledges the extent of the Cost of Living pressures across the sector, including schools sector, anchor partners, community and voluntary sector, and contracted services including care providers.
- 5.3 Given the early timeline of this report to members, it is intended that a further update will be presented to Cabinet and Council in the event of any subsequent government announcements that further inform the national funding position; relative to the assumptions set out in this report.
- 5.4 Cabinet will bring forward detailed budget proposals in the new year, for consideration at Budget Council on 22 February 2023.

6. **Recommendations submitted to the Meeting of Cabinet on 5 September 2022**

- 6.1 note the funding and spend assumptions informing the updated budget forecasts as set out in the report and note in particular the minimum useable reserve requirement advised by s 151 officer, being £47million as per paragraph 2.2.7 of the report along with the budget gap figures as per paragraph 1.3.9 of the report;
- 6.2 note current and forecast earmarked reserves and general balances as set out at Appendix A;
- 6.3 approve the financial planning framework set out in Section 1.3 of the report for general fund revenue and Section 1.9 for Housing Revenue Account;

- 6.4 approve the financial planning framework for general fund and HRA capital set out at Section 1.10 of the report;
- 6.5 note the corporate budget timetable and approach set out at Appendix D;
- 6.6 delegate authority to the Chief Executive and Leader of the Council, in consultation with the Director of Finance and Corporate portfolio-holder, to consider expression of interest to continue to participate in the Leeds City region business Rate Pool for 2023/24, by the Government deadline of 22 September 2022;
- 6.7 delegate authority to the Strategic Director for Environment & Climate Change, in consultation with the corporate portfolio-holder, Service Director - Finance and the Service Director Legal, Governance and Commissioning (monitoring officer), to conclude contract negotiations and on behalf of the council, enter into a new contractual arrangement in a timely manner for Council electricity supplies either directly or through a preferred broker, from 1 April 2023 onwards. Delegated authority is requested to: i) re-procure the Councils Electricity Supply Contract via a call off from a framework from an established Central Purchasing Body, ii) grant authority to award a contract for the Councils electricity supply from April 2023;
- 6.8 delegate authority to the Strategic Director Corporate Strategy, Commissioning and Public Health to agree the approach to budget consultation and relevant timescales in consultation with the Portfolio Holder for Corporate Services.

The above approach allows the updated budget plans to be adjusted subsequently for major factors identified and sets the basis for officers to update draft service plans within a clear Council budget framework.

7. Contact officer

James Anderson, Head of Accountancy

james.anderson@kirklees.gov.uk

Sarah Hill, Finance Manager

sarahm.hill@kirklees.gov.uk

8. Background Papers and History of Decisions

Cabinet Report – 5 September 2022 (attached)

9. Service Director responsible

Eamonn Croston, Service Director – Finance.