

Contact Officer: Yolande Myers

KIRKLEES COUNCIL

CABINET

Wednesday 6th September 2023

Present: Councillor Cathy Scott (Chair)
Councillor Masood Ahmed
Councillor Paul Davies
Councillor Yusra Hussain
Councillor Viv Kendrick
Councillor Mussarat Pervaiz
Councillor Jackie Ramsay
Councillor Elizabeth Reynolds
Councillor Graham Turner
Councillor Bill Armer
Councillor David Hall

Observers: Councillor Bill Armer
Councillor David Hall

39 Membership of Cabinet

Cllr G Lowe submitted her resignation from the membership of Cabinet.

40 Minutes of Previous Meeting

RESOLVED - That the Minutes of the Meeting held on 11 July 2023 be approved as a correct record.

41 Declaration of Interests

No interests were declared.

42 Admission of the Public

It was noted that all items would be considered in public.

43 Deputations/Petitions

No deputations or petitions were received.

44 Questions by Members of the Public

No questions were asked.

45 Questions by Elected Members (Oral Questions)

No questions were asked.

46 Appointment of Cabinet and Portfolios (Notice Under Article 7)

Cabinet received, for information, the schedule of appointment of Cabinet Members and associated portfolio responsibilities, in accordance with Articles 7.2.4 and 7.3.4 of the Constitution.

Cabinet - 6 September 2023

The Acting Leader advised that following the resignation of Cllr Lowe, the portfolio responsibilities would be absolved by other portfolio holders.

RESOLVED – That the appointment of Cabinet Portfolios, under the provision of Article 7.2.4 and 7.3.4 of the Constitution, be noted.

47 Council Budget Strategy Update: 2024/25 and future years

(Under the provision of Council Procedure Rule 36(1), Cabinet received representations from Councillor David Hall).

Cabinet considered the Council budget strategy update, prior to the submission of the report to Council on 13 September 2023, which set out the framework for the subsequent budget setting process and future financial planning.

Cabinet was advised that should the forecast outturn position for 2023/24 be sustained until the year end, the Council's Unallocated Reserve would fall to an inadequate level, and in response, a series of mitigating measures had been put in place to reduce the Council's net expenditure.

Cabinet noted the provisional outturn position on the Council's General Fund Revenue Budget was an overspend of c£27m. The report advised that some of the factors that contributed to that position had continued into 2023/24 and the latest monitoring position indicated the Council was forecast to overspend by £20.3m.

It was noted that, in the view of the Service Director Finance, mitigating actions were necessary to avoid the need to issue a report under s114 of the Local Government Finance Act 1988. The need to issue such a report would remain under review depending on the success or otherwise of the implementation of the mitigating actions.

Cabinet was advised that there was a forecast deficit on the Medium Term Financial Plan of £57.9m by 2028/29 with the most immediate issue being a funding gap in 2024/25 of £47.8m. This was partly caused by the continuation of the overspend in 2023/24 as a result of the continuing impact of the cost of living on the Council, shortfalls in income and rising demand pressures, particularly in Children's Services.

The report noted that the Government had indicated that it did not intend to undertake the awaited Fair Funding Review along with the Business Rates Retention Review, and as such, funding allocations to Councils would continue to reflect spending needs from 2013/14, thus not taking into account how those needs had changed (in relative terms) since that time.

RESOLVED – That the report be referred to the meeting of Council on 13 September 2023 with a recommendation;

- 1) That the key risks to the delivery of the budget in 2023/24 be noted and that these would be subject to consideration as part of the regular Budget Monitoring reports submitted to the Cabinet;

Cabinet - 6 September 2023

- 2) That the uncertainty with the funding outlook for the Council be noted, not least the limited progress on Local Government Finance reforms and that these would not take place before the next General Election;
- 3) That subject to the continuation of the Business Rates Pooling arrangements, delegate authority to the Chief Executive and the Service Director Finance, in consultation with the Leader and the Finance and Regeneration Portfolio Holder, to determine whether the Council should continue as a member of the Leeds City Region Business Rates Pool in 2024/25;
- 4) That the update to the Medium Term Financial Plan for 2024/29 as shown at Appendix A of the considered report be noted, and that in view of the uncertainty with some of the assumptions upon which the Plan is based, that it would remain under review as the Council's budget process progresses;
- 5) That the scenario analysis as shown at Appendix D which models 'worst' / 'best' case scenarios around the baseline MTFP as part of the assessment of potential risks facing the Council be noted;
- 6) That the Medium Term Financial Strategy as set out in the report be recommended for consideration and approval by Council;
- 7) That as delegations allow, and in view of the significant financial challenge faced by the Council, note that early action would be taken to identify and implement budget reduction measures (consistent with the Medium Term Financial Strategy set out above) as a means of reducing the funding gap set out in this report;
- 8) That in consultation with relevant Cabinet Members, request Officers to identify and bring forward proposals consistent with the Medium Term Financial Strategy set out in this report for consideration by Cabinet as part of their development of the budget for 2024/25;
- 9) That the timetable set out in the report for the development of the Council's Budget for 2024/25 be noted;
- 10) That, subject to consideration by respective Portfolio Holders, approval be given to any budget proposals arising from the work above be considered by the Cabinet in due course (and subject to the proposal on consultation below);
- 11) That subject to the work above and agreement with Councillors and recognising that it may be necessary to consult on specific matters as required, note that it is proposed to undertake consultation on the budget over Autumn 2023 with a view to informing decisions on the Council's budget for 2024/25.