

MEETING OF THE CORPORATE SCRUTINY COMMITTEE

WEDNESDAY, 4 JANUARY 2023

ADDITIONAL PAPERS

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CORPORATE SCRUTINY COMMITTEE – WEDNESDAY, 4
JANUARY 2023

Title of Report	ADDENDUM TO DRAFT GENERAL FUND BUDGET AND COUNCIL TAX 2023/24	
Presented by	Glenn Hammons Head of Finance and Section 151 Officer	
Background Papers	Budget & Council Tax 2022/23 – Council - 24 February 2022	Public Report: Yes
Financial Implications	This report sets out the revised Draft General Fund Revenue Budget for 2023/24.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications		
	Signed off by the Monitoring Officer:	
Staffing and Corporate Implications		
	Signed off by the Head of Paid Service:	
Reason Agenda Item Submitted to Scrutiny Committee	For Corporate Scrutiny Committee to provide any comments on the revised Draft General Fund Budget 2023/24	
Recommendations	<p>1. TO NOTE THE REVISED FUNDING FIGURES FOLLOWING THE ANNOUNCEMENT OF THE PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT</p> <p>2. THAT CORPORATE SCRUTINY COMMITTEE PROVIDES ANY COMMENTS ON THE REVISED DRAFT GENERAL FUND BUDGET (APPENDIX 1) IT MAY HAVE, FOR CONSIDERATION BY CABINET ON 10 JANUARY 2023.</p>	

1. BACKGROUND

- 1.1 The Draft General Fund Budget and Council Tax 2023/24 is being considered by Cabinet on the 10 January 2023. As mentioned in paragraph 2.4.3 of the original report, this report provides a revised Appendix 1 with the amended figures highlighted in red.
- 1.2 The provisional Local Government Finance Settlement (LGFS) was published on 19 December 2022. Due to the timing of the provisional settlement announcement the draft budget papers were prepared using estimates of government funding based on

the intelligence available incorporating the Policy Statement announcement on 12 December.

- 1.3 Attached is a Briefing Note which sets out the differences between the provisional settlement announcement and the draft budget papers (Appendix 2) along with the revised Draft General Fund Budget 2023/24 (Appendix 1)
- 1.4 The Corporate Scrutiny Committee is invited to consider the revised Draft General Fund Budget 2023/24 and provide any comments to Cabinet to take into account on the 10 January 2023. Cabinet will be asked to consider these documents and make a recommendation to Council on 24 February 2023 for consideration as part of the budget reports.

Policies and other considerations, as appropriate	
Council Priorities:	The budget provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	The equality impact assessment will be completed for the final budget to be presented to Cabinet.
Customer Impact:	Customers are likely to be impacted by the changes to fees and charges and special expenses precepts set out in this report.
Economic and Social Impact:	The General Fund capital programme allocates £9.6 million to investing in Coalville Regeneration Projects over five years.
Environment and Climate Change:	The draft budget sees substantial new investment of £7.4m in the replacement of council vehicles and reducing our carbon emissions. There is £0.8m investment in bins and recycling containers to increase recycling from households. The Climate Change Programme Manager post has been funded for the next five years from reserves within the draft revenue budget.
Consultation/Community Engagement:	Corporate Scrutiny – 4 January 2023 Cabinet – 10 January 2023 Public consultation 16/01/23 – 27/01/23
Risks:	As part of its Corporate Governance arrangements, the Council must ensure that risk management is considered and satisfactorily covered in any report put before elected Members for a decision or action.
Officer Contact	Glenn Hammons Head of Finance and Section 151 Officer glenn.hammons@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL GENERAL FUND SUMMARY BUDGET 2023/24 to 2027/28

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
Budget £	Service	Indicative £	Indicative £	Indicative £	Indicative £	Indicative £
282,310	Chief Executive	402,500	402,500	331,690	331,690	331,690
724,900	Human Resources	748,750	750,580	752,660	755,150	757,810
1,486,570	Legal & Support Services	1,567,540	1,593,930	1,599,620	1,604,410	1,608,260
2,493,780	Total Chief Executive's Department	2,718,790	2,747,010	2,683,970	2,691,250	2,697,760
347,920	Strategic Director of Place	342,410	342,410	342,410	342,410	342,410
6,776,570	Community Services	6,341,790	5,935,100	5,767,690	5,620,620	5,429,640
1,031,610	Planning & Infrastructure	977,119	1,010,119	1,010,119	1,010,119	1,010,119
893,070	Economic Regeneration	891,210	891,210	891,210	891,210	891,210
12,420	Joint Strategic Planning	9,120	6,500	4,700	2,860	990
9,061,590	Total Director of Services	8,561,649	8,185,339	8,016,129	7,867,219	7,674,369
560,010	Strategic Housing	796,453	796,453	796,453	796,453	796,453
1,199,820	ICT	1,240,780	1,258,280	1,258,280	1,258,280	1,268,280
951,330	Revenues & Benefits	263,260	248,380	250,000	251,650	253,330
213,930	Property Services	1,033,790	1,041,910	1,062,460	1,083,850	1,106,100
898,150	Customer Services	958,570	951,300	952,720	954,170	955,650
1,094,790	Finance	1,244,370	1,112,510	1,114,330	1,115,860	1,117,460
4,918,030	Total Director of Housing & Customer Services	5,537,223	5,408,833	5,434,243	5,460,263	5,497,273
0	Estimated Pay Award and Inflation Contingency	679,545	1,165,945	1,519,421	1,889,327	2,259,142
16,040	Non Distributed - Revenue Expenditure on Surplus Assets	97,140	99,020	100,000	101,000	102,020
70,690	Non Distributed - Retirement Benefits	67,380	69,980	71,330	72,710	74,120
40,750	Corporate & Democratic Core	81,970	81,970	81,970	81,970	81,970
0	Grants rolled in to RSG	90,000	-	-	-	-
16,600,880	NET COST OF SERVICES	17,833,697	17,758,097	17,907,063	18,163,739	18,386,654
(1,684,570)	Net Recharges from General Fund	(1,784,060)	(1,784,060)	(1,784,060)	(1,784,060)	(1,784,060)
14,916,310	NET COST OF SERVICES AFTER RECHARGES	16,049,637	15,974,037	16,123,003	16,379,679	16,602,594
	CORPORATE ITEMS AND FINANCING					
	<u>Corporate Income and Expenditure</u>					
1,762,293	Net Financing Costs	1,478,797	2,641,377	2,641,377	2,641,377	2,641,377
(4,895)	Investment Income	(250,300)	(50,300)	(40,300)	(40,300)	(40,300)
31,741	Localisation of CT Support Grant - Parish & Special Expenses	15,871	0	0	0	0
0	Revenue Contribution to Capital	0	0	0	0	0
16,705,449	NET REVENUE EXPENDITURE	17,294,005	18,565,114	18,724,080	18,980,756	19,203,671
(895,000)	Targeted savings in relation to J2SS	0	0	0	0	0
	Budget Proposals Funded from Reserves - One-Off	(290,195)	(161,905)	(92,590)	(94,100)	(87,795)
1,196,055	Contribution to/(from) Balances/Reserves	0	0	0	0	0
17,006,504	MET FROM GOVT GRANT & COUNCIL TAX	17,003,810	18,403,209	18,631,490	18,886,656	19,115,876
	ANTICIPATED BASELINE FUNDING GAP	- 198,539	1,449,200	2,027,445	2,286,717	3,721,484

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
Budget £	Service	Indicative £	Indicative £	Indicative £	Indicative £	Indicative £
	Financed By					
2,218,274	New Homes Bonus	1,219,692	1,194,745	-	-	-
153,126	Transfer from/(to) Collection Fund - CT Prev Yrs Surplus/(Deficit)	140,327	-	-	-	-
5,642,435	Council Tax	5,771,361	5,951,887	6,091,161	6,233,694	6,379,562
2,403,617	National Non-Domestic Rates Baseline	2,493,566	2,499,955	2,548,123	2,601,109	2,654,094
6,222,377	Business Rates Retained Growth & Renewables Disregard	6,222,377	6,126,039	2,002,389	2,028,000	2,053,596
0	Business Rates Reserve	-	-	-	-	-
200,977	Lower Tier Services Grant	-	-	-	-	-
165,699	2022/23 Services Grant	93,369	125,383	-	-	-
0	Minimum Funding Guarantee	1,171,479	1,056,000	-	-	-
0	Revenue Support Grant	90,178	-	737,491	717,217	697,289
0	Transitional Relief	-	-	5,224,881	5,019,919	3,609,851
17,006,504	TOTAL FUNDING AVAILABLE	17,202,349	16,954,009	16,604,045	16,599,939	15,394,392

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Briefing Note on Provisional Local Government Finance Settlement 2023/24

Background

The provisional Local Government Finance Settlement (LGFS) was published on 19 December 2022. The settlement was preceded by a Policy Statement on local government finance on 12 December 2022, which included the following:

- Two-year settlement covering 2023/24 (firm) & 2024/25 (indicative).
- Fair Funding Review and Business Rates Reset delayed until 2025/26 (at earliest).
- 3% minimum increase for all councils' Core Spending Power.
- Council tax referendum limits for district councils 2.99% or £5 (whichever is greater).
- New round of New Homes Bonus (NHB) in 2023-24, with potential for further round in 2024-25. No future legacy payments.
- New funding stream: Extended Producer Responsibility for Packaging (pEPR) from 2024/25.

Provisional Settlement – Key Headlines

The key headlines from the provisional LGFS were:

- The total increase to core spending power for district councils will be 5%, assuming all councils raise council tax by the maximum 3% or £5.
- This compares to a 9.2% rise for all English councils and inflation at 10.7%.
- Allocations announced for 2023/24 only. No allocations for 2024/25 however, core settlement is expected to continue in a similar manner to 2023/24.
- Business rates pooling will continue in 2023-24 where requested.

Impact of North West Leicestershire District Council

Due to the timing of the provisional settlement announcement the draft budget papers have been prepared using estimates of government funding based on the intelligence available incorporating the Policy Statement announcement on 12 December.

The table below sets out the differences between the provisional settlement announcement and the draft budget papers.

Govt Funding Allocations 2022/23 £000		Draft Budget Report 2023/24 £000	Provisional LGFS 2023/24 £000	Change Draft Budget to Prov LGFS £000	Change Allocations 2022/23 to Provisional LGFS 2023/24 £000
2,218	New Homes Bonus	1,195	1,220	+ 25	- 998
2,404	Business Rates Baseline	2,404	2,494	+ 90	+ 90
201	Lower Tier Services Grant	0	0	0	- 201

166	Services Grant	125	93	- 32	- 73
0	Revenue Support Grant	0	90	+ 90	+ 90
0	Min Funding Guarantee	1,056	1,171	+ 115	+ 1,171
4,989	Total	4,780	5,068	+ 288	+ 79
0	Grants rolled into RSG	0	-90	- 90	- 90
4,989	Adjusted Total	4,780	4,978	+ 198	- 11

Notes

1. Revenue Support Grant allocation is the transfer of two (previous) specific grants (Family Annexe and Local Council Tax Support) being transferred into mainstream funding.

The table shows:

- The total change in government funding allocations between 2022/23 and 2023/24 is a cash increase of £79k. However, when adjusted for the transfer of £90k from specific grant into general grants funding there is a like for like cash decrease of £11k.
- The total change, on a like for like basis, in funding between the provisional settlement and the estimates in the Draft Budget Reports is an increase of £198k. It should be noted the increase may be required to offset any emerging cost pressures that were not included in the Draft Budget.