

TRAFFORD BOROUGH COUNCIL

STATEMENT OF EXECUTIVE DECISION

<u>DATE OF DECISION</u>	Wednesday, 16 February 2022	<u>DECISION MAKER</u>
<u>DECISION REFERENCE</u>	E/16.02.22/3	Executive (Councillors A. Western, Adshead, Freeman, Harding, Hynes, Patel, Ross, Slater and Whitham.)

RECORD OF THE DECISION

EXECUTIVE'S REVENUE BUDGET PROPOSALS 2022/23 & MTFS 2023/24 - 2024/25

(1) That it be recommended to Council that it:-

- a) Approves the 2022/23 net Revenue Budget of £192.57m.
- b) Approves the 2023/24 to 2024/25 Medium Term Financial Strategy (MTFS) including the income and savings proposals.
- c) Notes the arrangements proposed in relation to an enhanced Finance and Change Programme and the establishment of a Finance and Change Board which will work with the Executive on the development of sustainable budget plans to support the Council in meeting the financial challenges from 2023/24 onwards
- d) Approves the calculation of the Council Tax Requirement as summarised in Section 8.1 and set out in the Formal Council Tax Resolution in Annex J (any update for changes in Mayoral Police and Crime Commissioner or Mayoral General (incl. Fire Services) Precepts were to be tabled at the Council Meeting);
- e) Approves the proposal to increase Council Tax by 2.99% in 2022/23:
 - o 1.99% general increase in the 'relevant basic amount' in 2022/23, 2023/24 and 2024/25, and
 - o 1% for the 'Adult Social Care' precept in 2022/23.
- f) Approves the planned application of earmarked reserves as detailed in Section 7.
- g) Approves the Fees and Charges for 2022/23 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2023/24, as set out in the Fees & Charges booklet.
- h) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2022/23 in the event of any change in VAT rate, as appropriate.
- i) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges during 2022/23 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.
- j) Approves the proposal to increase the minimum level of General Reserve for 2022/23 at £9.5m, an increase of £1.5m from 2021/22 (Section 7.5).
- k) Approves the Capital Strategy, Prudential and Local Indicators and overall level of the Capital Programme and Asset Investment Fund of £417.38m (as detailed in the Capital Strategy, Capital Programme & Prudential Indicators 2022/25) of which £209.71m relates to 2022/23; including the

proposal in relation to £50.52m of new prudential borrowing.

- l) Approves the Treasury Management Strategy 2022/23 to 2024/25, including the debt strategy (Section 3), the Treasury Investment Strategy (Section 5) and the Prudential Indicators, including the Authorised Limit (as required by Section 3(1) of the Local Government Act 2003, Operational Boundary, Minimum Revenue Provision and investment criteria as set out in Appendix 3 of the report.
- m) Approves the flexible use of capital receipts of up to £0.27m to support the cost of the Modernisation Team in developing the Council's Finance and Change Programme.
- n) Approves the proposed distribution of Dedicated Schools Grant as recommended by the School Funding Forum and Executive as summarised in Section 8 and detailed in Annex I.
- o) Due to the late publication of the Final Local Government Finance Settlement, Council delegates authority to the Director of Finance and Systems to vary the level of Budget Support Reserve needed to balance the 2022/23 revenue budget in the event of any change at final settlement.
- p) Delegate to the Director of Finance and Systems in consultation with Executive Member for Finance and Governance to administer the energy related discretionary schemes as announced on 3 February 2022 in accordance with the guidance, which will be fully funded by a section 31 grant.

(2) That it be confirmed that in recommending approval of the above, the Executive has taken into consideration:

- q) The objective assessment by the Director of Finance and Systems of the robustness of budget estimates and adequacy of the financial reserves (Section 1 and 7).
- r) The Executive's response to the Scrutiny Committee's recommendations to the budget proposals as included in a separate report on the agenda.
- s) The Council's Public Sector Equality duty.
- t) The results of the consultation on the budget proposals where required.
- u) The changes to the Council Tax Scheme 2022-23 and Council Tax Hardship Fund as detailed in a separate report to Executive on 24th January 2022.

(3) That in addition, it be recommended that Council notes the following:

- v) The approval on 11 January 2021 under delegated powers by the Corporate Director of Finance and Systems of the Council Tax Base for 2022/23 at 77,601 Band D equivalents.
- w) The estimated Council Tax surplus for 2021/22 has been calculated at £1.89m, sufficient to release £(1.550)m to support the Council's budget plans and a distribution of £(240)k and £(100)k representing the respective shares of the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services).
- x) The base budget assumptions as set out in the Medium Term Financial Strategy (MTFS) as detailed in Annex A.
- y) The budget gap for the two years 2023/24, £15.70m and 2024/25, £2.70m.
- z) The recurrent budget gap caused by the COVID-19 pandemic is expected to continue into 2022/23 and is estimated that £7.1m will be met from reserves.

aa) That the Capital Programme for 2022/23, 2023/24 and 2024/25 is to be set at an indicative £209.71m, £143.60m and £64.07m respectively (indicative at this stage as a number of capital grants are not yet known).

bb) That the Council Tax figures included in the report for the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) are the recommended provisional amounts pending their formal approval.

REASONS FOR THE DECISION

To enable the Council to set a Budget Requirement and Council Tax level for 2022/23. The reasons for these recommendations are to deliver a balanced budget for 2022/23 in relation to the proposals set out in this report, whilst having due regard for equality impact and risk mitigation. The Innovation and Change Programme will support the implementation of the Council's corporate objectives by ensuring the Council is as effective and efficient as possible. This will lead to the optimisation of Council resources in relation to delivering the corporate objectives, priorities and outcomes. The Programme will be developed to align closely with the Council's Medium Term Financial Strategy. Business cases brought forward for approval will have a direct link to the achievement of managing demand pressures as well as the required efficiencies over the life of the Strategy reducing core spend. The approval of Council is being sought to enable officers to proceed with implementing the Programme.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED AT THE MEETING/BY MEMBERS

The Executive is recommending an overall increase to the level of council tax of 2.99% in 2022/23 comprising the increase of 1% for the 'adult social care precept' to be earmarked for adult social care expenditure and 1.99% general increase in the 'relevant basic amount'.

An alternative option is not to increase council tax but there would be insufficient funding to pay for the Council's services in 2022/23. If this option were pursued then further savings of £3.27million would need to be identified over and above the significant level of savings already included in this budget report. Alternatively a decision could be made to increase its 'relevant basic amount of council tax' above the levels proposed in this report, however this would exceed the current permitted limits, which would mean a local referendum would be required before any higher increase could be implemented.

The use of reserves has been reviewed (See Section 7 of the report) and an appropriate amount has been assessed for release to support these budget proposals whilst still maintaining a prudent level of reserves to manage any unforeseen risks. Any further use of reserves is not recommended as it does not provide a sustainable means of balancing the budget.

The Innovation and Change Programme provides a framework for delivering organisational change that supports the delivery of the MTFP. The scale of the financial challenges over the life of the MTFP requires a structured and controlled programme management approach. All change projects will be supported by clear business cases setting out the net business benefits of the changes being proposed.

Doing nothing is not considered a valid option as this would result in an unacceptably high risk of not achieving the MTFP. The impact of this would be the greater likelihood of the Council having HM Government intervention as a result of being unable to set a legal budget.

The Innovation and Change programme provides a coordinated approach to business change activity. An un-coordinated approach to delivering cross cutting business change risks key projects competing in relation to the time and resources need to secure their delivery increasing the risk of non-delivery.

CONFLICTS OF INTEREST DECLARED AND ANY ASSOCIATED DISPENSATION

None.

Scrutiny Call in Deadline

Not applicable. The purpose of the resolutions is to make recommendations to Council, as the substantive decision-maker; so call-in is not appropriate.

PUBLICATION DATE

Tuesday, 22 February 2022

RECORDED BY:

Corporate Director, Governance & Community
Strategy