

BARNSLEY METROPOLITAN BOROUGH COUNCIL

REPORT OF: Executive Director – Core Services & Service Director – Finance
(Section 151 Officer)

TITLE: Medium Term Financial Strategy 2023 - 2026

REPORT TO:	Cabinet
Date of Meeting	8 February 2023
Cabinet Member Portfolio	Core Services
Key Decision	Yes
Public or Private	Public

Purpose of report

To consider the Council's Medium Term Financial Strategy 2023-2026

Council Plan Priority

All

Recommendations

That Cabinet:

1. Note the contents of the updated Medium Term Financial Strategy 2023 - 2026.
2. Recommends to Full Council on the 23rd of February:
 - a) that the report of the Service Director Finance (S151 Officer), under Section 25 of the Local Government Act 2003 at **Section 1** be noted, that the 2023/24 budget proposals be agreed and that the Chief Executive and Senior Management Team (SMT), in consultation with Cabinet Spokespersons, submit, for early consideration, detailed plans that ensure the Council's ongoing financial sustainability in 23/24 and beyond.
 - b) that the revised Medium Term Financial Strategy (MTFS) and Budget Forecast for 23/24 to 25/26 contained in the budget pack attached at **Section 2** (supported by the suite of background papers in **Sections 2a – 2d**) be noted and that these are monitored as part of the arrangements for the delivery of the MTFS.

- c) that provision of **£35.4M** to cover anticipated demographic and other cost pressures in 23/24:
- Pay (£9.0M),
 - Energy (£5.3M),
 - Children's Social Care including the development plan costs (£7.0M),
 - Adult Social Care including hospital discharges (£6.5M),
 - Homes to School Transport (£1.2M),
 - Waste Services (£0.9M),
 - Inflation on major contracts e.g., PFI (£3.1M),
 - Funding borrowing costs (£0.6M),
 - Investment in legal resource (£0.5M),
 - Investment in car parking (£0.5M),
 - Youth zone running costs (£0.8M).

be approved for inclusion in the budget as identified at **Section 2**.

- d) that the budgetary provisions previously set aside in the 22/23 budget for demography, demand and energy costs totalling **£9.2M** be approved to be released to mitigate the above pressures.
- e) that the specific Adult Social Care grant of **£2.1M** received in the 2022 Local Government Finance Settlement be used to contribute to the funding of inflationary pressures in the care sector.
- f) that the increase in the Better Care Fund of **£1.9M** received in the 2022 Local Government Finance Settlement be used to fund the cost of hospital discharges.
- g) that **£7.5M** of additional general social care funding received in the 2022 Local Government Finance Settlement be set aside pending further assessment of the emerging financial risks relating to Childrens and Adults Social Care.
- h) that reserves totalling **£5.5M** be used to further mitigate the pressures above, strictly on the basis of this being a temporary bridging strategy to permanently aligning ongoing spend and income over the MTFs planning period.
- i) that the proposed efficiency savings in 23/24 highlighted in **Section 2** and detailed at **Section 4a – 4e** be approved for implementation and that Members also note the development of a transformation programme to help deliver balanced budget positions over the medium term (24/25 – 25/26).
- j) that the Council's reserves strategy and updated reserves position at **Section 2b** be noted.
- k) that the proposed changes to the 23/24 fees and charges policy and accompanying schedule of charges set out at **Section 2d** be approved.
- l) to submit to Council for approval the cash limited budgets for each Service with overall net expenditure for 23/24 of **£230.4M** as highlighted in **Section 5a**.

- m) to consider the budgets for all services and approve, for submission into Council, the 23/24 – 25/26 budget proposals presented at **Sections 5a – 5c**, subject to Cabinet receiving detailed implementation reports where appropriate.
- n) to consider and approve the changes to the schools funding formula including the transfer of funding from the schools' block to the high needs block and approve the proposed 23/24 schools block budget as set out at **Section 5d**.
- o) that the capital investment schemes totalling £12.4M (**Section 6 Appendix 1**), be included within the capital programme and released subject to receiving further detailed business cases where appropriate.
- p) that £2M is provisionally set aside for additional investment in repairing the borough's highways (principal roads / side streets) and released subject to receiving a further detailed report on plans for its use.
- q) that the Chief Executive and SMT, in consultation with Cabinet Spokespersons, be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 23/24 on any further action required to achieve an appropriately balanced budget in addition to those proposals set out above.
- r) that the Chief Executive and SMT be responsible for managing their respective budgets including ensuring the implementation of all approved saving proposals.
- s) that the Authority's SMT be charged with ensuring that the budget remains in balance and report regularly into Cabinet on budget / savings monitoring including any action required.
- t) that Cabinet and the Section 151 Officer be authorised to make any necessary technical adjustments to form the 23/24 budget.
- u) that appropriate consultation on the budget proposals takes place with the Trade Unions and representatives of Non-Domestic Ratepayers and that the views of consultees be considered by Cabinet and the Council.
- v) that the budget papers be submitted for the consideration of the full Council.

1. INTRODUCTION

- 1.1 The Local Government Act 1992 requires the councils that billing authorities complete and approve their budgets and set a council tax before 11 March immediately prior to the start of the financial year on 1 April.

The Councils 2023/24 Budget, Council Tax setting and updated Medium Term Financial Strategy 2023 – 2026

2. PROPOSALS

- 2.1 The suite of budget papers attached to this report presents for consideration the Council's 2023/24 Budget together with the proposed council tax setting.
- 2.2 In addition the paper attached at Section 2 provides the updated Medium Term Financial Strategy.
- 2.3 It is recommended that Cabinet note the contents of the papers attached and refers them for approval to Full Council on the 23rd February 2023.

3. IMPLICATIONS OF THE DECISION

3.1 Financial and Risk

- The Authority's proposed 2023/24 Budget, Council Tax Setting and updated Medium Term Financial Strategy for the period 2023 – 2026 is set out in the suite of papers attached to this report.
- The Authority's Chief Finance Officer, Section 25 Report is provided at Section 1 in the suite enclosed and highlights their advice on the proposals contained therein.

3.2 Legal

There are no legal implications as a result of this report.

3.3 Equality

Not applicable as individual EIA's have been completed in relation to the budget proposals as appropriate.

3.4 Sustainability

Decision wheel not applicable.

3.5 Employee

There are no direct employee implications as a result of this report.

3.6 Communications

Communication will be made in line with the normal budget setting process arrangements of the Council

4. CONSULTATION

4.1 Consultation on the 2023/24 budget will be undertaken with representatives of the Business Community and Trade Unions

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 N/A

6. REASONS FOR RECOMMENDATIONS

6.1 The Local Government Act 1992 requires the councils that billing authorities complete and approve their budgets and set a council tax before 11 March immediately prior to the start of the financial year on 1 April.

7. GLOSSARY

N/A

8. LIST OF APPENDICES

Appendix 1 - Service and Financial Planning 2023/24 – The Council’s Medium Term Financial Strategy – 2023/24 Budget recommendations

9. BACKGROUND PAPERS

10. REPORT SIGN OFF

Financial consultation & sign off	Senior Financial Services officer
Legal consultation & sign off	Sukdave Ghuman, 30 January 2023

Report Author: Neil Copley

Post: Service Director Finance and S151 Officer

Date: 27/01/23