

BARNESLEY METROPOLITAN BOROUGH COUNCIL

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

TITLE: Medium Term Financial Strategy 2023 - 2026

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| REPORT TO: | Full Council |
| Date of Meeting | 23rd February 2023 |
| Cabinet Member Portfolio | Cllr Franklin - CORE |
| 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 Council:

1. **Note the contents of the updated Medium Term Financial Strategy 2023 - 2026.**
2. **Approves the following:**
 - 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.

3. Council Tax 2023/24

That Council note the contents of **Section 2a** (23/24 Council Tax options) and approves that:

- a) the Council Tax Collection Fund net surplus as at 31st March 2022 relating to BMBC of £3.6M be used to reduce the 23/24 Council Tax requirement, in line with statute.
- b) the 23/24 Band D Council Tax increase for Barnsley MBC services be set at 3.9% (1.9% for Core Council Services and an additional 2.0% for the Adult Social Care precept).

- c) the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police and Crime Commissioner and South Yorkshire Fire Authority precepts for 23/24.
- d) the Band D Council Tax for areas of the Borough with Parish / Town Councils be determined following confirmation of individual parish precepts for 23/24.
- e) additional one off cost of living support be provided to all eligible working age local council tax support claimants in Band 1 of the scheme, equivalent to an amount that reduces those claimant's council tax bills to zero for the 23/24 financial year.
- f) additional one off cost of living support be provided to all eligible working age local council tax support claimants in Bands 2,3 & 4 of the scheme, equivalent to mitigating the full impact of the proposed 3.9% increase for 23/24 plus an additional £50 discount to further reduce the bills for all those eligible claimants.
- g) additional one off cost of living support equivalent to the 3.9% increase be provided to all eligible pensioners in receipt of council tax support, for the 23/24 financial year.

4. Treasury Management Strategy & Policy Statement 2023/24

that Council approve the 23/24 Treasury Management Strategy and Policy Statement (included in the main papers at **Section 2c**) and specifically:

- a) approve the 23/24 Treasury Management Policy Statement (**Section 2c Appendix A**).
- b) approve the 23/24 Minimum Revenue Provision (MRP) Statement (**Section 2c Appendix B**).
- c) approve the 23/24 Borrowing Strategy at **Section 2c** including the full suite of Prudential and Treasury Indicators (**Section 2c Appendix C**).
- d) approve the 23/24 Annual Investment Strategy at **Section 2c**.

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 Council approves the 2023/24 Budget and Council Tax setting and approves the updated Medium Term Financial Strategy for the period 2023 - 2026.

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 direct 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

9. BACKGROUND PAPERS

- Service and Financial Planning 2023/24 – The Council’s Medium Term Financial Strategy – 2023/24 Budget recommendations – attached to this pack.

10. REPORT SIGN OFF

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| Financial consultation & sign off | Senior Financial Services officer <i>Sukdave Ghuman 10/2/23</i> |
| Legal consultation & sign off | Legal Services officer consulted and date |

Report Author: Neil Copley

Post: Service Director Finance and S151 Officer

Date: 08/02/23