

Budget and Corporate Scrutiny Board

29th November 2022

Subject:	Draft General Budget 2023/24 and MTFs
Director:	Director of Finance – Simone Hines
Contact Officer:	Rebecca Maher rebecca_maher@sandwell.gov.uk


1 Recommendations

- 1.1 That the Board consider the draft budget proposals for 2023/24 as attached at Appendix A.
- 1.2 That the Board consider any feedback or recommendations it wishes to make to Cabinet to inform final budget proposals

2 Reasons for Recommendations

- 2.1 The Council must set a balanced, risk assessed budget each year and undertake appropriate consultation on draft budget proposals prior to approving the final budget and Council Tax precept.
- 2.2 The Board has an opportunity to consider the draft budget report in order to inform the final decision-making process.

3 How does this deliver objectives of the Corporate Plan?

	The Council's financial position and financial management arrangements helps to achieve all aspects of the Council's Corporate Plan
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4 Context and Key Issues

- 4.1 Cabinet considered the draft budget proposals for 2023/24 at its meeting on the 16th November 2022. This report set out the assumptions that had been made when producing the draft budget, including a number of spend pressures that have been identified as part of the budget process.
- 4.2 The draft budget report showed that savings in the region of £15m were required for 2023/24 to ensure a balanced and sustainable budget could be set whilst maintaining a prudent level of reserves.
- 4.3 Cabinet considered savings proposals in principle amounting to £16m, subject to appropriate consultation and Equality Impact Assessments, which left a budget surplus remaining of approx. £1.4m.
- 4.4 A copy of the Cabinet report and appendices is attached at Appendix A for the Board's consideration.
- 4.5 Since the draft budget was approved by Cabinet the Autumn Statement has been announced. A summary of the key points affecting local government are:
- Department DEL budgets in 2023/24 and 2024/25 are to be maintained at least in line with the budgets set at the Spending Review.
 - The core schools' budget in England will receive an additional £2.3bn of funding in 2023/24 and £2.3bn in 2024/25.
 - The rollout of social care charging reforms has been delayed from October 2023 to October 2025. Funding for the implementation of this will remain within local government to enable local authorities to address current adult social care pressures.
 - £2.8bn in 2023/24 and £4.7bn in 2024/25 to be made available to help support adult social care and discharge. This includes £1bn of new grant in 2023/24 and £1.7bn in 2024/25.
 - Additional flexibility provided for councils to increase general Council Tax to 3% per year without a referendum (an increase of



1% over current) and 2% for the Adult Social Care precept (an increase of 1% over current).

- Business Rates bills will be updated to reflect changes in property valuations since the last revaluation in 2017. Targeted support of £13.6bn will be provided over the next 5 years to support businesses as they transition to their new bills.
- Local authorities will be fully compensated for the loss of income and will receive new burdens funding for administrative and IT costs.
- Business Rates multipliers will be frozen in 2023/24.
- Upwards Transitional Relief will cap bill increases and will be funded by the Exchequer.
- Retail, Hospitality and Leisure Relief is being extended and increased from 50% to 75% up to £110,000 per business.
- The increase in social housing rents will be capped at 7%.
- National Living Wage for individuals 23 and over to be increased by 9.7% to £10.42 per hour from 1 April 2023

5 Alternative Option

5.1 No alternative options are being presented but the Board may wish to make recommendations to Cabinet on alternative savings to be considered for 2023/24. The Board may also consider making a recommendation to Cabinet on the level of Council Tax to be approved.

6 Implications

Resources:	
Legal and Governance:	The Local Government Finance Act 1992 requires the Council to set a budget and Council Tax precept by 11 th March each year.
Risk:	The Council must set a risk assessed balanced budget each year and maintain a prudent level of reserves to mitigate the financial risks that it faces.
Equality:	Budget savings will be subject to an Equality Impact Assessment where appropriate
Health and Wellbeing	No specific implications



Social Value	Considered when identifying potential savings options and budget priorities
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7. Appendices

Appendix A – 16th November Cabinet report and appendices

8. Background Papers

None

