

Blaby District Council

Cabinet Executive

Date of Meeting	20 February 2023
Title of Report	Scrutiny Commission response to the Administrations 2023/24 Draft Budget Proposals
	This is not a Key Decision and is not on the Forward Plan
Lead Member	Cllr. Maggie Wright – Finance, People & Performance (Deputy Leader)
Report Author	Senior Democratic Services & Scrutiny Officer
Corporate Priority	All Priorities: A Place to Live; A Place to Work; A Place to Visit; People Strategy; Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The report sets out the findings and conclusions following scrutiny examination of the Administration's 2023/24 draft budget proposals.

2. Recommendation(s) to Cabinet Executive

- 2.1 That Cabinet Executive considers the comments and recommendations of Scrutiny Commission in respect of the draft 2023/24 budget proposals before making final recommendations to Council.

3. Reason for Decisions Recommended

- 3.1 Scrutiny Commission has a mandate to examine the Administration's draft budget proposals and submit comments to Cabinet Executive which it is then obliged to consider before making its own final recommendations to Council on Budget proposals. All non-executive members may be involved in this process.

4. Matters to consider

4.1 Background

The Administration's 2023/24 draft Budget proposals for the General Fund Revenue Account have been fully considered by the Scrutiny Commission and all non-executive members.

Cabinet Portfolio Holders and Senior Officers attended Scrutiny budget meetings to answer questions relating to the draft budget proposals as follows:-

11 January 2023 - Budget Context and Overview

18 January 2023 – Portfolio Holder Question Sessions for:

- Leader
- Finance, People & Performance
- Neighbourhood Services & Assets
- Housing, Community & Environmental Services
- Health, Wellbeing, Community Engagement & Business Support Portfolio
- Planning Delivery and Enforcement & Corporate Transformation

All figures are as presented at the time scrutiny meetings took place, and do not take account any minor adjustments that may have been made to the budget after those dates.

Budget Gap

Scrutiny noted the Settlement was the best in cash terms that local government has received in more than a decade with much of the increase directed towards the Upper Tier Authorities to fund social care.

The Council benefitted from a new grant created to ensure that every authority has an increase in core spending power of at least 3%. This grant has compensated for the forecast loss of New Homes Bonus funding and has contributed significantly (£1.5m) to minimise the funding gap for 2023/24.

When taking into account the Settlement, the funding gap for 2023/24 has reduced to £104k.

Officers anticipating a budget gap looked for opportunities to reduce costs or ensure income from fees and charges reflects the costs to provide the service, and contribute towards reducing the budget gap to this level.

Scrutiny noted that should Council decide to increase Council Tax by the 2.99% maximum increase the budget will be balanced in 2023/24 with a surplus of £15k.

Scrutiny would like to thank Portfolio Holders for the comprehensive overview of budget priorities and challenges and commend Officers for their work on the budget planning process.

4.2 Proposal(s)

Statement on the Administrations 2023-24 Draft Budget

Council Tax

Members fully considered the options provided to increase Council Tax by either 2.99%, which would generate £183k or £5, which would generate £172K.

Scrutiny considered the Settlement provided this year was favourable compared to previous years due to a 3% increase in Core Spending Power and noted that threshold limits were increased.

Recommendation 1 - Scrutiny would be supportive of a 2.99% increase given the current financial uncertainty that local authorities face.

Recommendation 2 - Scrutiny would welcome an update in 6 months on the levels of demand for Council Tax Support and Discretionary Housing Payments provided or any other similar support scheme.

Commercial Opportunities

Members recognised that a cultural change is required to successfully embed a commercially based approach across the Council. Scrutiny is pleased to note that Officers continue to look for opportunities to generate income to strengthen the Council's future financial position. This includes the Council benefitting from an agreement with Charnwood Borough Council for the provision of commercial support from their Director of Commercial & Economic Development who reports into the Executive Director (S151 Officer).

Members felt that not enough information was provided on the future direction of commercialisation and the material level of income that can be expected. Members were keen to learn more about how the support from the Director of Commercial & Economic Development will be working with Council Services and his proposals for income generation. Scrutiny extends an invitation to the Director of Commercial & Economic Development, the Executive Director (S.151), and the Finance, People and Performance Portfolio Holder to a future meeting of the Scrutiny Commission to examine current proposals and future income generation plans.

Members considered that a six monthly update to Scrutiny Commission on the Commercial Strategy and Action Plan would be beneficial.

Recommendation 3 – That the Director of Commercial & Economic Development (Charnwood BC), Executive Director (S.151) and Finance, People and Performance Portfolio Holder provide a briefing to Members on

proposals to maximise income generation and commercial opportunities explored with council services.

Recommendation 4 – That a six monthly update be provided to Scrutiny Commission on income generation progress including benefits, direction and proposals.

Reserves

Members commented there was substantial unspent earmarked reserves that had been carried forward from the previous year into the next financial year. Members questioned whether this was the best use of the funds and if these funds provided more resilience and resource to fund other projects by moving them to the General Fund.

Members queried how often the reserve fund is reviewed and what resilience does it provide to the budget.

Recommendation 5 – That the unspent earmarked reserves fund be reviewed to determine whether all reserves are required.

Costs of Hydrotreated Vegetable Oil (HVO)

Scrutiny noted with concern the increased costs of HVO for the fleet at the Depot. With heavy demand and limited supply, how will Cabinet Executive monitor the rising costs and mitigate any major impact on the budget.

On a more positive note, Members were pleased to note that since Council had been using HVO, emissions relating to the fleet had reduced by 90%.

Recommendation 6 – That an update be provided to Scrutiny Commission in the next quarter on the cost of HVO vs diesel fuel and how Cabinet Executive plan to mitigate any further rising costs.

IT Services

Members commented on IT Services and requested a briefing is provided to all Councillors.

Recommendation 7 – That an I.T briefing be provided to all Councillors as soon as practical.

Huncote Leisure Centre (HLC)

Members were concerned that the responses given to questions regarding income generated from the Leisure Centre were not fully given at the meeting.

Members had specifically requested information on how much income had been generated from HLC since reopening. Members queried why HLC had limited opening times and requested an update on when extended opening times would resume.

The current opening times are:

- Weekdays – 3:30pm-9:30pm
- Weekends – 8am-2pm

Recommendation 8 – That an update be provided on income generated by HLC since reopening.

Recommendation 9 – That an explanation is provided on the reasoning of the current opening hours and when they may be extended.

Youth Service

Members were pleased with the recent update that had been received at Scrutiny Commission and commended Officers and the Portfolio Holder on the commissioning model. Members discussed the future of the Youth Service and recommended evidencing outcomes and modelling case studies to strengthen and protect the future of the service in a challenging and uncertain financial market.

Recommendation 10 – That Officers evidence outcomes and case studies to protect a valuable service that protects vulnerable young people.

Key Observations/Comments:

Medium Term Financial Strategy

Scrutiny noted that due to the short-term nature of the funding streams issued in the Settlement Statement for 2023/24, it is difficult to plan ahead with one year funding.

Continued rigorous management and monitoring by the Senior Leadership Team, Cabinet Executive and Scrutiny will ensure the Council continues to be well prepared to respond to challenges as a result of the Fair Funding Review and Business Rates Retention.

Fair Funding & Longer Term Financial Settlement

Members noted that the continued delay of the Fair Funding Review affected the Council receiving a multi-year funding settlement and as a result, it is not possible to assess the impact it may have on our future financial position. In

the interests of clarity, we encourage the Council Leader to take every opportunity to press for this review to be carried out as soon as possible.

Parks and Open Spaces Strategy

Members questioned the timeline of the Parks and Open Spaces Strategy and requested urgency on the completion of the Strategy. Scrutiny would welcome an opportunity to feed into the draft Strategy before it is considered by Council.

Fleet Management

Members queried the life-cycle of the current vehicles at the Depot, including replacement options and requested further information be provided to Scrutiny in due course.

Rural Exception Sites

The supply and delivery of affordable housing in addition to getting the right house type mix is an on-going challenge. Members requested further information on the two sites identified as rural exception sites, including current demand for these types of sites.

Green/Net-Zero Target

Members were committed to the net zero target and the duty to 'go green', but recognised that an honest debate on future financing and viability of our net zero targets and initiatives was also required.

Members look forward to the 2023/24 plans for achieving our net-zero target and commended the Green Officer and the Grants Officer for supporting the Council in this.

Joint/Shared Enforcement Services

Members queried the effectiveness of shared/joint enforcement services and would welcome further information and options on this.

4.3 Relevant Consultations

Non-Executive Members, Portfolio Holders, Senior Officers.

4.4 Significant Issues

None, as they relate to Cabinet Executive as the decision maker.

5. What will it cost and are there opportunities for savings?

5.1 There are no cost implications as a result of this report.

6. What are the risks and how can they be reduced?

6.1 There are no risks associated with this report.

7. Other options considered

7.1 No other options were considered. Budget scrutiny is a constitutional requirement.

8. Environmental impact

8.1 There are no environmental impacts associated with this report.

9. Other significant issues

9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

10.1 None

11. Background paper(s)

11.1 Meeting of the 'Scrutiny of the Administration's Budget Proposals'
[11th January 2023](#)

Meeting of the 'Scrutiny of the Administration's Budget Proposals'
[18 January 2023](#)

12. Report author's contact details

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