

Budget Monitoring Report No.1, 2022/23

Council	9 February 2023
Report Author	Chris Blundell, Acting Deputy Chief Executive and Section 151 Officer
Portfolio Holder	Councillor David Saunders, Cabinet Member for Finance
Status	For Decision
Classification	Unrestricted
Previously Considered by	Cabinet 13 October 2022
Ward	Thanet Wide

Executive Summary:

This report sets out a number of budget adjustments that Cabinet recommended to Council for approval when considering the Budget Monitoring Report No.1 report at its meeting on 13 October 2022

Recommendation(s):

1. That Council approves a one-off supplementary General Fund 2022/23 revenue budget of £100,000 be approved for the creation of a fund for coastal projects; to be wholly funded from an external contribution from Southern Water.
2. That Council approves a supplementary General Fund revenue budget of £63,000 be approved for additional resources to support the delivery of regeneration schemes in the district; to be funded from a corresponding increase in the income budget for retained business rates.
3. That Council approves a supplementary General Fund revenue budget of £100,000 be approved for additional resources to support the delivery of property related services; to be funded from the Repairs Reserve.
4. That Council approves the 2022/23 supplementary capital budgets, numbered 1 to 4, as set out in section 5.

Corporate Implications

Financial and Value for Money

The financial implications have been reflected within the body of the report.

Legal

Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to monitor and control the Council's finances in order to provide a balanced budget.

Risk Management

The budget adjustments are presented in order to address specific service budgetary pressures or allow for additional activity to be undertaken. Should the recommendation not be approved, there may be a risk to the delivery of existing service objectives or to the one-off outcomes that the additional budget allocation is intended to achieve.

Corporate

Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the Council's current position.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

There are no direct equality implications arising from this report, however the delivery and implementation of and budgetary changes will consider this as part of the budget setting process and be reported to members in due course.

It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration has been given to the equalities impact that may be brought upon communities by the decisions made by Council.

Corporate Priorities

This report relates to the following corporate priorities: -

- *Growth*
- *Environment*
- *Communities*

1. Introduction and Background

- 1.1. This report sets out a number of budget adjustments that Cabinet recommended to Council for approval when considering the Budget Monitoring Report No.1 report at its meeting on 13 October 2022.

2. Coastal Project

- 2.1. The Council has received a payment of £100k from Southern Water in recognition of water quality issues experienced in the district. To date £10k of these monies have been allocated for the repair and improvement of some of the coastal shelters and further schemes are being developed.
- 2.2. It is recommended that a one-off £100k budget is included in the 2022/23 budget and that any future spending against this funding allocation is then considered on a case by case basis, with spending being subject to Cabinet approval, either at a meeting of Cabinet or via an Portfolio Holder decision.

3. Use of Business Rates Growth

- 3.1. Annually the council has a corporate income budget of £5.9m for retained business rates. Over and above this the annual the council receives approximately £600k due to its participation in the Kent Business Rates pool; of which half of this money (c.£300k) from this arrangement must be spent on activities or arrangements that contribute to the generation of further economic growth in the district.
- 3.2. At the end of 31 March 2022 there was approximately £2.5m held in an earmarked reserve for this purpose (note this figure is still provisional and subject to audit). Consequently, the following supplementary budget requests are presented for approval as per recommendation 2:
 - Create a permanent Regeneration Project Manager position to help support the delivery of the £19.8m Ramsgate Levelling Up Fund Programme, £2.7m Future High Street Fund and other externally funded programmes. The budget required for this post (salary plus other costs) is £48K, of which £20k can be met from existing budgets, therefore an annual contribution from our growth in retained business rates of £28k is required.
 - Create a Regeneration Project and Programme Administrator position with a focus on monitoring, evaluation and reporting back to central government, as well as engagement activity with the Levelling Up Scrutiny Panels, the Margate Town Deal Board and the organisations directly delivering some of the projects. It is recommended that the full cost (salaries plus other costs) of this post is funded using a £35k annual contribution from the growth in retained business rates.
- 3.3. Consequently, Council are recommended to approve an increase in the general fund revenue by £63k, in order to finance the addition of these two posts to the staffing establishment.

4. Use of Repairs Reserve

- 4.1. To address long-standing income budget shortfalls, rent review and leasing surveyors are being recruited, an allocation from Repairs Reserve of -£100k is required to fund this. As such, Council is recommended to increase the 2022/23 staffing budget within the Property Service by £100k, funded from the Repairs reserve.
- 4.2. The longer-term funding of this service is considered within the 2023/24 budget report included elsewhere on the agenda.

5. Capital Programme Adjustments

- 5.1. It is proposed that the following changes to the capital programme are approved, as per recommendation 5 to this report.
 - 1) **Housing Assistance Policy (additional support for home owners and private sector landlords):** Increase the budget by £129.6k, funded from recycled grant contributions. These monies are available to support home owners and private sector landlords make improvements to their properties as part of the Housing Assistance Policy. Subject to Council approval the revised budget for 2022/23 will be approximately £480k.
 - 2) **Housing Assistance Policy (Disabled Facilities Grants and Better Care Fund):** Increase the budget by £257.8k, fully funded from government grant contributions.
 - 3) **High Street Heritage Action Zone Grant - Ramsgate:** An increase in the scheme budget of £189.9k, funded by grants from Historic England. The funding will be primarily used for the allocation of shop front design and improvement grants in Harbour Street.
 - 4) **Margate Housing Intervention - Loan Scheme:** Increase the budget by £30k, funded from housing capital receipts (scheme loan repayments).

6. Options

1. Council may determine to approve the budget adjustments presented in the report and the related activity associated with the budgets can be undertaken
2. Council may decide to reject all or any of the budget adjustments presented in the report and as such alternative action would need to be taken to address any corresponding budgetary pressures that relate to the specific recommendations.

Contact Officer: *(name, job title and contact number)*

Reporting to: *(name of Manager, preferably Head of Service or Director)*

Corporate Consultation

Finance: *N/A*

Legal: *Sameera Khan (Interim Head of Legal & Monitoring Officer)*