

Addendum 2 to Budget Update Report 31st January 2023 Executive.

- 1.1 Since the publication of the Budget Update Report for the 31st January 2023 Executive on 23rd January 2023, Financial Services have continued to work on the NNDR1 form that sets the Business Rates base for 2022-23. The form uses Business Rates data at 31st December 2022, and the S151 Officer (the Director of Finance) must submit a completed form to Government by 31st January 2023.
- 1.2 Completing this form requires input from officers in Financial Services and Revenues and Benefits and given the significant policy changes that impact in 2023-24, the form has also been reviewed by independent specialists to ensure that the impacts have been correctly interpreted.
- 1.3 Following the completion, review and submission of the NNDR1 form, revised levels of Section 31 grants have been estimated, and the Council now expects to receive c£2.246m more than previously estimated for Multiplier compensation on the Council's Top Up Grant, and it is also forecast to have a £263k higher Business Rates deficit for 2022-23 at £2.067m.
- 1.4 Lastly, there is also a required presentation change in relation to S31 grants for Hospitality & Retail Business Rates reliefs. S31 grants are received when the Government makes policy choices that impact on the amount of Business Rates that the Council should budget to collect and keep, but they are paid as a grant to the General fund, and do not form part of the Resources calculation.
- 1.5 Consequently, the presentation of S31 grants have been moved out of the Resources section in the table below and moved into the Funding changes area. This has a £0 impact overall but is required to ensure that net budget funding presentation remains comparable with other Councils.
- 1.6 The overall impact of the above changes is to reduce the use of reserves to balance the budget by £2.223m to £30.410m all else being equal.
- 1.7 The table below has been updated to reflect the changes.

Summary of Financial Implications – Revenue Budget 2023-24

2.1 The table below shows the 2023-24 budget requirement based on the updated information outlined within this report and addendum, and compares it to 2023-24 Budget Proposals report approved by the Executive on the 14th December 2022.

Table 1

	2023/24 Budget Proposals Dec 2022 £000s	Change since 14th Decemb er £000s	2023/24 Budget Proposal s 31st Jan 2023 £000s	Change outlined in this Addend um £000s	2023/24 Budget Proposal s 31st Jan 2023 £000s
Cumulative gap £000s					
2022/23 Base Budget	388,456		388,456		388,456
Existing Pressures in Children's & Adults Care	50,000		50,000		50,000
Investments previously approved	500		500		500
New Investments for Consultation	1,098		1,098		1,098
Inflation	58,604	(154)	58,450		58,450
Demographic Growth	2,713		2,713		2,713
Funding Changes	(25,432)	13,948	(11,484)	(2,486)	(13,970)
Funding Changes - S31Grant to compensate for BR Retail reliefs				(7,944)	(7,944)
Base Net Expenditure Requirement	475,938	13,948	489,732	(10,430)	479,302
Reversal of One-Off investments	(1,600)		(1,600)		(1,600)
Existing approved savings	(350)		(350)		(350)
New Savings for consultation	(13,692)		(13,692)		(13,692)
Capital financing & central budget adjustments	(18,390)	(4,000)	(22,390)		(22,390)
Net Expenditure Requirement	441,906	9,793	451,700	(10,430)	441,270
RESOURCES					
Localised Business Rates (BR)	(57,160)	(1,089)	(58,249)		(58,249)
S31Grant to comp for BR Retail reliefs	(6,742)	(1,202)	(7,944)	7,944	0
BR Coll Fund deficit from 2022-23		1,804	1,804	263	2,067
Top Up Business Rates Grant	(69,259)	(5,712)	(74,971)		(74,971)
Revenue Support Grant	(36,792)	(3,512)	(40,304)		(40,304)
Est. RSG replacing New Home Bonus	(3,939)	3,939	0		0
Council Tax Income	(233,290)	0	(233,290)		(233,290)
CT Coll Fund deficit from 2022-23	0	138	138		138
Pre agreed Use of reserves	(4,250)	0	(4,250)		(4,250)
Dept of Place reserve use	(2,000)	0	(2,000)		(2,000)
Use of reserves to balance the budget	(28,473)	(4,160)	(32,633)	2,223	(30,410)
Total resources	(441,906)	(9,793)	(451,700)	10,430	(441,270)