

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance,
Corporate and Traded Services
Zena Cooke, Corporate Director of Finance

To: Cabinet 31st March 2022

Decision No:

Subject: **KCC Share of Retained Business Rates and Final Local
Government Finance Settlement 2022-23**

Classification: **Unrestricted**

Summary:

The budget report to County Council on 10th February 2022 (published 2nd February 2022) included a reference that County Council's estimated share of retained business rates and business rate collection fund balances was received too late to include in the final report. It was stated that a separate report would be presented to Cabinet setting out the County's share of retained business rates and collection fund. The attached report sets out the analysis from the Kent district and borough councils' returns which detail the business rates estimates and impact on the County Council's revenue budget.

The County Council meeting accepted two amendments to the proposed budget on the basis there would be some headroom within the retained share of business rates.

The budget report presented to County Council also did not include the final local government finance settlement which was published on 7th February 2022. The final settlement included some minor changes from the provisional settlement published on 16th December 2021 and which was used as the basis for government grant allocations in the final draft budget. The attached report includes details of the changes in the final local government settlement.

In total the estimated share of retained business rates and collection fund, and the final local government finance settlement, results in an increase in the available revenue funding for 2022-23 of £8,758.1k, of which £7,665.1k is deemed as recurring and £1,093.0k as one-off.

Recommendations:

a) Cabinet is asked to agree that £354k is used to increase the revenue budget in GET for the amendments agreed at County Council on 10th February 2022 as set out in paragraph 4.2 in the attached report

b) Cabinet is asked to agree that £437.9k be added to the Council's general reserves to maintain these at 5% of the revised net revenue budget for 2022-23 as set out in paragraph 4.4 of the attached report.

c) Cabinet is asked to agree that the remainder of the County's share of retained business rates and collection fund (£7,966.2k in 2022-23) is used to increase the risk reserve to reflect the heightened risks to the budget, including higher inflation and the potential impacts of the Russian invasion of Ukraine as set out in paragraph 4.5 of the attached report.

Background Documents

- 1 KCC's Budget webpage
<https://www.kent.gov.uk/about-the-council/finance-and-budget>
- 2 Provisional Local Government Finance Settlement 16th December 2021
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2022-to-2023>
- 3 Final Local Government Finance Settlement 7th February 2022
<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2022-to-2023>

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