

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

To: Cabinet - 26 January 2023

Subject: **Capital Programme 2023-33, Revenue Budget 2023-24 and Medium Term Financial Plan 2023-26**

Classification: **Unrestricted**

Summary:

The administration's draft budget proposals were published on 3 January 2023 to support the scrutiny and democratic process through Cabinet Committees, Cabinet and culminating in the annual County Council budget setting meeting on 9 February. The publication included a comprehensive report to support the draft budget.

An updated final draft report for County Council will be published on 1 February. This final draft will include any changes from the original draft (including any changes in final grant and tax base notifications), update and re-evaluation of budget risks, and a number of additional appendices to support the final County Council decisions such as Capital Strategy including Prudential Indicators, Minimum Revenue Provision (MRP) statement, and Treasury Management Strategy.

The proposed draft revenue budget shows a net proposed budget of £1,306.8m, an increase of £115.3m (9.7%) on the approved budget for 2022-23 funded from increased/additional grants in the provisional local government finance settlement and proposed Council Tax increases. The proposed budget includes spending growth of £216.8m (including increased spending from specific grants such as Household Support Fund), £39.1m savings and £15.7m additional income from fees and charges., increased specific grants of £31.9m and £14.8m from reserves (including an additional net contribution of £5.8m in 2023-24 budget, and £20.7m removal of contributions and drawdowns 2022-23 budget) to achieve a balanced budget.

The proposed draft capital programme 2023-33 includes spending of £1,620m of which £955m is funded from confirmed/indicative grants, £400m from borrowing and £265m other sources. The administration's strategy for the capital programme is to minimise the level of additional borrowing, for 2023-24 the changes to the programme represents a £9.6m reduction.

The draft budget includes a proposed 4.995% Council Tax increase for 2023-24 i.e. up to the maximum without exceeding the 3% referendum limit plus an additional up to 2% for the adult social care levy. This would mean the total social care levy accounts for 13.2% of the County Council share of Council Tax. The final decision on these Council Tax increases will be taken at the County Council meeting. The provisional estimated Council Tax base has increased by 1.5% compared to 2022-23 (we do not receive final estimated tax base from all districts until later in January). The Council Tax precept for 2023-24 must be based on the final estimated tax base notified by districts.

Recommendations:

Cabinet is asked to:

- a) consider any proposed amendments from Cabinet Committees.
- b) endorse the draft budget to be presented to County Council on 9 February for final decisions.

Cabinet members are asked to be able to refer to the 2023-24 draft budget report published on 3 January 2023 for this meeting

Cabinet Members are reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to a matter relating to, or which might affect, the calculation of Council Tax.

Any Member of a Local Authority who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not cast their vote on anything related to KCC's Budget or Council Tax.

Background Documents

- 1 KCC's Budget webpage
[KCC's Budget webpage](#)
- 2 Original 2022-23 Budget approved by County Council on 10th February 2022
[KCC's approved 2022-23 Budget](#)
- 3 KCC Budget Consultation launched 19th July 2022
[2023-24 Budget Consultation \(Let's Talk Kent\)](#)
- 4 KCC report on 2021 Budget Consultation
[2023-24 Budget Consultation Report](#)
- 5 Provisional Local Government Finance Settlement 17th December 2020
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2023-to-2024#:~:text=The%20local%20government%20finance%20settlement,settlement%20for%202023%20to%202024.>

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