

From: Roger Gough, Leader

Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

John Betts, Acting Corporate Director of Finance

To: Cabinet – 25th January 2024

Subject: **Revised Draft Revenue Budget 2024-25 and 2024-27 MTFP, Draft Capital Programme 2024-34 and Treasury Management Strategy**

Classification: **Unrestricted**

Summary:

The administration's updated and balanced draft budget proposals were published on 3rd January 2024 to support the further scrutiny and democratic process of the changes and additional information since the initial draft publication on 1st November 2023 through Cabinet Committees, Cabinet Scrutiny Committee, Cabinet and culminating in the annual County Council budget setting meeting on 19th February. The publication included a comprehensive report to support the changes since the initial draft budget publication together with updated interactive dashboard providing additional information in a more accessible format.

An updated final draft report for County Council will be published on 9th February 2024. This final draft will include any changes from the revised draft (including any changes in final grant and tax base notifications) and a number of additional sections/appendices to support the final County Council decisions such as schools funding settlement, Capital Strategy including Prudential Indicators, Minimum Revenue Provision (MRP) statement, and Investment Strategy.

The revised draft revenue budget shows separately the changes in core funded activity (funding from grants in the core spending power in the provisional local government finance settlement and Council Tax/retained business rates) and externally funded activity and income from ring-fenced specific grants not included in the local government settlement. The revised draft is net proposed budget of £1,416.7m, an increase of £100.0m (7.6%) on the approved budget for 2023-24. The revised budget includes forecast spending growth on core funded activities of £184.5m and savings/income on core funded activity of £87.6m including:

- £36.5m reductions from avoiding some of the forecast spending growth in adult social care and home to school transport
- £35.7m savings from spending reductions on current recurring activity
- £15.4m additional income (including income from fees and charges)

The revised draft budget is balanced with a net +£3.1m movement in core revenue funding towards reserves including +£36.7m contributions and -£14.2m drawdowns in 2024-25 (and net -£19.4m from removing previous contributions and drawdowns).

The draft budget includes a proposed 4.992% Council Tax increase for 2024-25 i.e. up to the maximum without exceeding the 3% referendum limit plus an additional up to 2% for

the adult social care levy. The proposed social care levy would mean the total levy accounting for 14.5% of the County Council share of Council Tax in 2024-25. The final decision on these Council Tax increases will be taken at the County Council meeting. The final Council Tax precept for 2024-25 must be based on the final estimated tax base notified by districts

The proposed draft capital programme 2024-34 includes spending of £1,646m of which £992m is funded from confirmed/indicative grants, £376m from borrowing and £278m other sources.

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 19th February for final decisions.

Cabinet members are asked to be able to refer to the 2024-25 draft budget report published on 3rd January 2024 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 2023-24 Budget approved by County Council on 9th February 2023
[2023-24 KCC Final Budget Book \(kent.gov.uk\)](#)
- 3 KCC Budget Consultation launched 13th July 2023
[2024-25 Budget Consultation \(Let's Talk Kent\) inc. the Budget Consultation report](#)
- 4 Provisional Local Government Finance Settlement 18th December 2023
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2024-to-2025>

Contact details

Report Author

Dave Shipton (Head of Finance Policy, Planning and Strategy)

03000 419418, dave.shipton@kent.gov.uk

Relevant Corporate Director:

John Betts (Acting)

07977297131 john.betts@kent.gov.uk