

PART 1 – UPDATE OF 2023/24 RESOURCES AND UPDATED RECOMMENDATION

As detailed in the report the following information was not available when the report was prepared:

1. The final Local Government Finance Settlement had not been issued (was issued 07.02.23);
2. As detailed in paragraph 6.5, the budget position is also affected by changes in Business Rates income and section 31 grants received by the Authority. This position is complicated by the introduction of new rateable values on 1st April 2023, the continuation of various business reliefs and payment of section 31 grant to compensate authorities, and the payment of section 31 grant to compensate authorities for the under-indexing of business rates (final figures received 08.02.23);
3. The national pay award for Fire fighters had not been updated (revises offer made 08.02.23).

The impact of recent announcements in relation to these issues is summarised below:

Table 1 - 2023/24 Budget Update

	Figures as detailed in report	Updated figures 09.02.23	Additional cost / (additional income)
Net Deficit to address (paragraph 6.10)	£0.425m	£0.425m	0
Add - Additional cost of national pay offer above MTFS forecast (i.e. 7% for 2022 compared to 5%)	0	£0.480m	£0.480m
Less – Final Business Rates & Section 31 grants	0	(£0.294m)	(£0.294m)
Revised Net Deficit	£0.425m	£0.611m	£0.186m

It is recommended that the increase in the 2023/24 deficit is funded by increasing the planned use of Investment Income and Use of the Budget Support Fund to provide a longer lead time to address the deficit. As detailed below this will increase the deficit deferred to 2024/25.

Table 2 - 2024/25 and 2025/26 Budget Update

	Figures as detailed in report	Updated figures 09.02.23	Additional deficit
2024/25 Base budget deficit (paragraph 6.15)	£0.356m	£0.356m	0
Add – Deficit deferred from 2023/24 (table 1)	£0.425m	£0.611m	£0.186m
Add – Impact of 2023 Fire fighter pay award on updated base budget	0	£0.030m	£0.030m
2024/25 Revised Net Deficit	£0.781m	£0.997m	£0.216m
Add - 2025/26 Forecast Deficit	£0.227m	£0.227m	0
Total 2024/25 and 2025/26 Deficit	£1.008m	£1.224m	£0.216m

Updated Recommendation (v)

- To note that the national pay offer for 2022 of 7% exceeds the MTFS forecast of 5% and increases recurring costs by £0.480m, which can partly be mitigated by an increase in recurring resources of £0.294m. To also note these factors increase the unfunded 2023/24 budget deficit from **£0.425m** to **£0.611m**. It is recommended this amount is funded from a combination of temporary investment income and use of the Budget Support Fund, which defers this deficit until 2024/25 and provides a longer lead time to address this position.

PART 2 - 2023/2024 COUNCIL TAX RESOLUTION

The Authority is recommended to approve as follows:

1. For the purpose of Section 42 A, B of the Local Government Finance Act 1992, the following amounts in respect of 2023/24:
 - (a) The Council Tax Base for 2023/24 as 160,466 as notified by the relevant billing authorities.
2. That the Council Tax requirement for the Authority's own purposes for 2023/24 is £13,938,077.
3. That the following amounts be calculated by the Authority for 2023/24 in accordance with Sections 42 to 48 of the Local Government Finance Act 1992 and relevant regulations:-
 - (a) £29,493,426 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 42 to 48 of the Local Government Finance Act 1992 and relevant regulations.
 - (b) £15,555,349 Being the aggregate of the sums which the Authority estimate will be payable to it in respect of Revenue Support Grant £6,076,576, Top Up Grant of £7,748,804, Business Rates income of £1,800.009 and the estimate to be paid to the Collection Funds of the billing authorities of £70,040 as at 31st March 2023, in accordance with Section 99 (3) (b) of the Local Government Finance Act 1988 and the Local Government Charges for England (Collection Fund Surpluses and Deficits) Regulations 1995 amended.
 - (c) £13,938,077 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Authority in accordance with Section 42B (1) (2) of the Act as its Council Tax requirement for the year.
 - (d) £86.86 Being the amount calculated by the Authority in accordance with Section 44 of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year.

4. That the Authority, in accordance with Section 47 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2023/24 for each of the categories of dwellings:

Property Band	Council Tax
A	£57.91
B	£67.56
C	£77.21
D	£86.86
E	£106.16
F	£125.46
G	£144.77
H	£173.72

5. The precept payable by each billing authority in accordance with Section 48 of the 1992 Act, as follows:-

Billing Authority	£
Hartlepool	2,201,206
Middlesbrough	3,105,158
Redcar and Cleveland	3,535,741
Stockton	5,095,972

6. Approve that the Authority's basic amount of Council Tax for 2023/24 is not excessive in accordance with the principles approved under section 52ZB Local Government Finance Act 1992 and that no local referendum will be carried out in relation to Chapter 4ZA of the Local Government Finance Act 1992.