



Dorset Council

Date: Tuesday, 14 February 2023
Time: 6.30 pm
Venue: Council Chamber, County Hall, Dorchester, DT1 1XJ

All members of Dorset Council are requested to attend this meeting of the Full Council.

Chief Executive: Matt Prosser, County Hall, Colliton Park, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic Services
Meeting Contact susan.dallison@dorsetcouncil.gov.uk

Members of the public are welcome to attend this meeting, apart from any items listed in the exempt part of this agenda.

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Agenda

Page No

9. BUDGET STRATEGY AND MEDIUM-TERM FINANCIAL PLAN

3 - 16

To consider the Budget recommendations from Cabinet.

Appendix 2 to the report to be published as soon as it becomes available.

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Addendum to Full Council report on budget strategy

1. Background

- 1.1 The Dorset Council budget strategy and medium term financial plan which was published ahead of the 14th February 2023 Full Council meeting was based on funding assumptions contained within the *provisional* local government financial settlement. The provisional settlement was published on 19 December 2022.
- 1.2 On 6 February 2023, the Secretary of State for Levelling Up, Housing and Communities, Michael Gove, provided a statement to Parliament regarding the *final* local government finance settlement for 2023/24.
- 1.3 The final settlement provided Dorset Council with an additional £362k in funding which had not been anticipated. This budget addendum provides an update to the Council Papers to take account of that additional funding.

2. The statement

- 2.1 On 6 February 2023, the Secretary of State for Levelling Up, Housing and Communities, Michael Gove, provided a statement to Parliament regarding the final local government finance settlement for 2023/24.
- 2.2 The settlement has ensured that councils across the country have further resources available to deliver services to their communities.
- 2.3 In recognition of the work undertaken by councils, this Settlement makes available an increase of 9.4% in cash terms of national level Core Spending Power. This makes available £5.1 billion in additional resources, to help local authorities to support their communities through challenging times.

3. Increases in the quantum

- 3.1 The increase in funding for Dorset Council between the provisional and final settlement is detailed in the table, below.

Illustrative Core Spending Power of Local Government:			
	Provisional 2023-24 £ millions	Final 2023-24 £ millions	Increase in funding £ millions
Settlement Funding Assessment	46.6	46.6	
Compensation for under-indexing the business rates multiplier	7.8	7.8	
Council Tax Requirement excluding parish precepts ¹	292.2	292.2	
Improved Better Care Fund	12.5	12.5	
New Homes Bonus	1.8	1.8	
New Homes Bonus returned funding	0.0	0.0	
Rural Services Delivery Grant	2.5	2.8	0.3
Transition Grant	0.0	0.0	
Adult Social Care Support Grant	0.0	0.0	
Winter Pressures Grant ²	0.0	0.0	
Social Care Support Grant	0.0	0.0	
Social Care Grant ³	22.3	22.3	
Market Sustainability and Fair Cost of Care Fund	0.0	0.0	
ASC Market Sustainability and Improvement Fund ⁴	4.0	4.0	
Lower Tier Services Grant	0.0	0.0	
ASC Discharge Fund	1.7	1.7	
Services Grant ⁵	1.7	1.8	0.1
Grants rolled in	0.0	0.0	
Funding Guarantee	0.0	0.0	
Core Spending Power	393.2	393.6	0.4

4. Updated budget numbers from the change in the settlement

- 4.1 The changes from the provisional settlement to the final settlement has seen an additional £362k in funding for Dorset Council. This is an increase of £291k for the Rural Services Delivery Grant and £71k for the Services Grant. This money has been set aside in the contingency budget to support inflationary pressures.

The previously published Dorset Council budget information needs to be updated as follows:

Appendix 1a

Subjective analysis of budget 2023/24

	Original Budget		2023-24				£'000 Net Budget (2023-24)
	£'000 Pay	£'000 Non-Pay	£'000 Fees & Charges	£'000 Grants /Funding	£'000 Movement in Balances		
People Services -							
Adults	28,151	197,416	(61,858)	(16,525)	0		147,183
Service user related	181	176,613	(50,251)	(8,126)	0		118,417
Adult Care Ops	19,708	469	(4,829)	(106)	0		15,241
Commissioning	2,999	10,657	(2,938)	(4,291)	0		6,426
Director Office	717	4,180	0	(2,272)	0		2,625
Housing	4,161	5,495	(3,841)	(1,730)	0		4,086
Building Better Lives	386	2	0	0	0		387
Corporate Development	29,738	84,696	(10,847)	(73,470)	(1,616)		28,501
Finance & Commercial	11,303	78,475	(7,316)	(73,470)	0		8,993
Human Resources	5,709	307	(2,079)	0	(442)		3,495
Digital & Change	2,903	97	(102)	0	(732)		2,166
ICT Ops	5,556	4,321	(1,329)	0	(1)		8,547
Director	28	7	0	0	0		35
BI & Performance	1,269	19	0	0	0		1,288
Comms & Engagement	995	173	(21)	0	0		1,146
Community Grants	393	977	0	0	(38)		1,333
Superfast Broadband	645	41	0	0	(403)		282
Chief Executive Office	937	170	0	0	0		1,107
Dorset Care Record	0	109	0	0	0		109
Place	66,461	88,756	(63,673)	(4,572)	(254)		86,718

Economy, Infrastructure, Growth Place	23,230	45,253	(28,820)	(3,682)	(645)	35,335
Customer Services, Libraries, Archives	31,888	34,466	(25,478)	(557)	659	40,978
Directors Office	6,836	2,362	(1,019)	(333)	0	7,845
Assets & Property	532	(415)	(1)	0	0	115
Climate & Ecological	3,627	6,829	(8,234)	0	53	2,275
People - Children	349	262	(121)	0	(321)	169
Quality and Assurance	48,159	45,867	(7,383)	(8,445)	(394)	77,804
Care & Protection	2,852	152	(371)	(19)	0	2,614
Commissioning & Partnerships	20,622	38,008	(227)	(664)	0	57,740
Education & Learning	7,615	141	(2,318)	(1,447)	(394)	3,597
Director's	13,005	3,316	(2,960)	(1,560)	0	11,802
DSG Recharge	4,065	4,249	(803)	(4,756)	0	2,756
Legal & Democratic	0	0	(704)	0	0	(704)
Assurance	5,731	2,771	(1,429)	0	0	7,073
Democratic & Electoral	1,046	540	(61)	0	0	1,525
Land Charges	1,064	2,065	(108)	0	0	3,021
Legal	617	1	(987)	0	0	(369)
Public Health	3,004	165	(273)	0	0	2,896
Public Health	3,882	22,092	(12,637)	(13,336)	0	0
Central Finance	3,882	22,092	(12,637)	(13,336)	0	0
General funding	6,938	10,370	(6,697)	(29,288)	18,951	273
Capital financing	5,233	52	(2,697)	(29,176)	0	(26,589)
Contingency	0	9,560	(4,000)	0	10,381	15,941
Precepts	0	0	0	0	8,569	8,569
Retirement Costs	0	738	0	(112)	0	626
Total Non Schools Budget 2023/24	1,705	21	0	0	0	1,726
Schools Budget Requirement 2023/24	189,060	451,967	(164,524)	(145,637)	16,686	347,553
Schools Budget Requirement 2023/24	0	301,420	0	(301,420)	0	0
Business Rates Top Up Revenue Support Grant (RSG)	189,060	753,388	(164,524)	(447,057)	16,686	347,553
						(50,199)
						(654)

Council Tax	
Surplus	(292,109)
New Homes	
Bonus	(1,825)
Rural Services	
Delivery Grant	(2,766)
	<u>(347,553)</u>

Appendix 1b – Cost type analysis

Cost Type	Original Budget 2023/24 £'000
Internal Charges (Expenditure)	8,957
Authority (Democratic) Costs	1,868
Pay Related Costs	189,060
Premises Related Costs	21,481
Transport Related Costs	24,426
Supplies and Services	411,835
Transfer Payments	129,761
Levies & Precepts	738
Third Party (Contracted Out) Payments	153,444
Net Schools Budget	878
Contingency and Movement in Reserves	16,686
Gross Expenditure	959,134

Government Grants (Specific)	(447,057)
Income, Fees & Charges	(164,524)
Gross Income	(611,581)

Budget Requirement	347,553
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Council Tax	292,109
Business Rates	50,199
New Homes Bonus	1,825
Rural Services Delivery Grant	2,766
Revenue Support Grant	654
Total Funding	347,553

* This includes an estimate for schools and public health budgets

Dorset Council summary movements in budget 2022/23 to 2023/24

	Adjusted base budget 22/23	Current base budget 23/24
Adults	£141,229,707	£147,183,031
Childrens	£74,435,901	£77,804,438
Corporate	£30,324,762	£35,574,345
Place	£81,755,647	£86,718,280
Central	£3,833,784	£272,882
 Total	 £331,579,801	 £347,552,976
 Funding	 (£331,579,801)	 (£347,552,976)

Summary of Additional Social Care Grant Funding

Dorset Council Additional Social Care Grant funding	2023/24
Social Care Grant increase	£8.96m
New Adult Social Care Grant (market sustainability)	£3.99m
New discharge funding	£1.75m
Total	£14.70m

Appendix 1d

Adults Services & Housing – summary of movements

	£
Adults and Housing base budget position 2022/23 after adjustments	£141,229,707
Pay inflation	£978,547
General Inflation	£10,293,974
Fees and Charges income	(£1,444,868)
Gas and Electricity costs	£9,702
Reduction in NI Levy	(£165,476)
Cost of increased pension fund contributions	£372,100
Cost of increments & pay award (estimate)	£1,213,711
Pressures	
ASC data based modelling pressure	£968,634
Savings	
Enhanced Community Reablement	(£500,000)
Enhanced Shared Lives	(£150,000)
Developing Day Opportunities	(£150,000)
Commissioned Community Care	(£1,500,000)
Dorset Care Framework 2	(£350,000)
Shared Cost NHS	(£250,000)
Resource / Process redesign	(£500,000)
BCF Uplift	(£1,373,000)
Additional income	
Additional income from Adults	(£1,500,000)
Adults and Housing current base budget for 2023/24	£147,183,031
 Increase in base	 £5,953,324

Appendix 1e

Corporate Development and Legal & Democratic Services – summary of movements

	£
Corporate Services base budget position 2022/23 after adjustments	£30,324,762
Pay inflation	£1,196,217
General inflation	£741,328
Fees and Charges income	(£200,479)
Gas and Electricity costs	£0
Reduction of NI Levy	(£208,217)
Additional cost of LGPS	£542,200
Cost of increments & pay award	£1,972,783
<u>Pressures</u>	
Leadership Support additional posts	£70,440
DCR Contract obligations	£109,000
ICT net pressures	£634,700
Apprenticeship levy costs	£55,040
Additional legal capacity	£268,883
External Audit increase of costs	£186,538
<u>Savings</u>	
Electoral supplies and services reduction	(£33,850)
<u>Additional income</u>	
Legal income	(£85,000)
Corporate current base budget for 2023/24	£35,574,345
Increase in base	£5,249,583

Appendix 1f

Place – summary of movements

	£
Place base budget 2022/23 after adjustments	£81,755,647
Pay inflation	£2,284,847
General inflation	£2,713,568
Fees and Charges income	(£2,123,267)
Gas and Electricity costs	£1,066,713
Coombe House & SWH Rental Income	(£498,000)
Reduction of the NI Levy	(£381,932)
Additional cost of the pension fund contribution	£952,100
Cost of increments & pay award	£4,093,887
Pressures	
Waste – new crews at Ferndown and Shaftesbury	£106,040
Waste – estimate of POPS	£100,000
Waste strategy – unfunded inflation	£958,000
Dorset Travel cost pressure	£360,000
Flood defence team	£150,000
Additional fuel costs	£250,000
Coombe House SEN Travel pressure	£50,000
Savings	
Transport	(£250,000)
Asset & Property	(£906,000)
Place Services	(£622,013)
Customer Services, Libraries and Archives	(£570,000)
Additional Income	
Asset & Property	(£400,000)
Place Services	(£696,310)
Highways and parking	(£1,655,000)
Customer Services	(£20,000)
Place current base budget for 2023/24	£86,718,280
Increase in base	£4,962,633

Appendix 1g

Children's Services – summary of movements

	£
Children's base budget position 2022/23 after adjustments	£74,435,901
Pay inflation	£1,569,446
General inflation	£1,856,029
Fees and Charges income	(£148,218)
Gas and Electricity costs	£37,080
Reduction of NI Levy	(£272,700)
Additional cost of pension fund contributions	£647,200
Cost of increments & pay award	£1,897,096
<u>Pressures</u>	
HNB recharge removal	£327,510
Fostering rates/SGO rates/Retention	£250,000
cWad Services - Intensive Support Packages	£695,000
USAC	£365,500
chAD - new staffing structure	£300,000
Care Leaver report	£150,000
Keeping in touch service capacity	£105,000
Student Social Workers	£100,000
Increase in Premature Retirement Compensation budget	£179,700
<u>Savings</u>	
Children's Home Project	(£935,000)
Our Family Digital Offer	(£500,000)
Family Hubs	(£500,000)
Mockingbird	(£500,000)
Holistic Safeguarding	(£1,000,000)
0-25/Conception to settled adulthood	(£500,000)
Additional funding for Social Care	(£755,106)
Children's current base budget for 2023/24	£77,804,438
 Increase in base	 £3,368,537

Appendix 1h

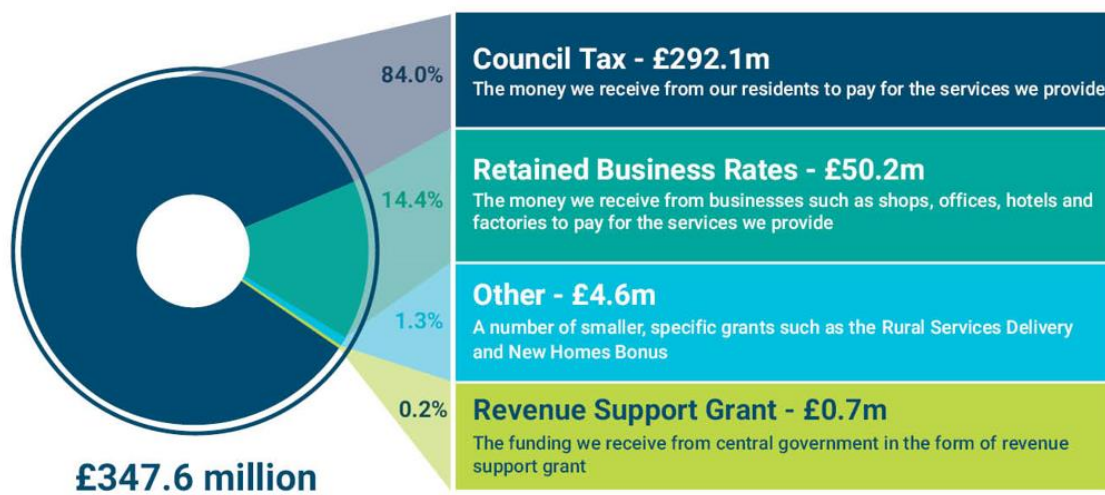
Central budgets – summary of movements

	£
Central Finance base budget position 2022/23 after adjustments	£3,833,784
Change in funding	£827,440
LGPS	(£988,000)
Contribution from Health	(£2,500,000)
Reduction in contingency	(£900,342)
Central Finance current base budget for 2023/24	£272,882
Decrease in base	(£3,560,902)

Appendix 1i

Sources of funding

2023/2024 - Dorset Council sources of funding (net)



Appendix 1j

How the budget is spent

2023/2024 - How will Dorset Council spend its money?



* Includes Revenues & Benefits, Finance, Procurement, Human Resources, IT, Legal and Democratic Services.

	Previous Year Budget 2022-23	MTFP Yr1 Budget Setting 2023-24	MTFP Yr2 2024-25	MTFP Yr3 2025-26	MTFS Yr4 2026-27	MTFP Yr5 2027-28
DC net Budget	333.226	347.553	369.149	383.072	395.503	413.694
DC Funding resources	333.226	347.553	355.335	363.919	372.739	381.799
Gap (Surplus) / Deficit	0.000	0.000	13.815	19.153	22.763	31.895

Aidan Dunn

Executive Director, Corporate Development

09 February 2023

