



**EXECUTIVE SCRUTINY BOARD**  
**15 January 2024**

**ITEM 4**

Report sponsor: Alison Parkin, Director of Finance

Report author: Alison Parkin, Director of Finance

## **Budget Proposals 2024/25 – 2026/27**

### **Purpose**

- 1.1 Council Cabinet on the 20<sup>th</sup> of December 2023 approved for consultation the Budget proposals for the period 2024/25 to 2026/27. Public consultation runs from 21<sup>st</sup> December 2023 to 26<sup>th</sup> January 2024.
- 1.2 The Medium-Term Financial Plan (MTFP) assumes delivery of £8.371m of budget savings and additional income in 2024/25, and an increase in Council Tax of 4.99% (this includes 2% specifically for social care).
- 1.3 The MTFP incorporates £24.676m of pressures in 2024/25, to address demand and cost pressures and to invest in Council priorities.
- 1.4 Scrutiny of Council Priorities as set out in the Council Plan and its resourcing detailed in the MTFP is an integral part of the Board's functions. The Board will then make any appropriate recommendations to Council Cabinet.
- 1.5 The setting of a balanced budget for 2024/25 has been challenging against a backdrop of very volatile public sector finances. This has required the development of a significant number of savings proposals across all Council activities.

### **Recommendations**

- 2.1 To consider and comment on the MTFP and specific budget proposals for 2024/25.
- 2.2 To make any appropriate recommendations to Council Cabinet for inclusion in the Council Plan or Budget Setting Report, due to be considered by Council Cabinet on 14<sup>th</sup> February 2024 and subsequently by Council on 28<sup>th</sup> February 2024.

### **Reason**

- 3.1 To provide scrutiny members with an opportunity to scrutinise the Council's planned budget for delivering the Council's vision and priorities as part of the consultation process.

## Supporting information

- 4.1 The MTFP Cabinet report detailed in Appendix 1 provides an overview of proposals to balance the Council's revenue budget for 2024/25 – 2026/27, and the proposed Capital Programme for the same period.
- 4.2 The MTFP Cabinet report was issued prior to the publication of the Local Government provisional finance settlement on the 18<sup>th</sup> December 2023. Based on the announcements made so far the Council is £269,000 worse off than the funding assumptions in the MTFP Cabinet report. This will be accounted for within the February budget report.

The Government issued prior to the financial settlement a policy statement [Local government finance policy statement 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/local-government-finance-policy-statement-2024-to-2025). The MTFP includes estimates for 2025/26 based on the policy intentions set out by the Government (it is important to note that these are not firm allocations). There will be the need for a new Comprehensive Spending Requirement in the new parliament where the fiscal forecasts currently forecast the need for further contraction of public sector finances.

In addition, changes in the Local Government finance framework (fair funding and business rate retention) have been postponed until at least 2025/26.

- 4.3 Scrutiny of the Budget should focus on:
  - public value and demonstrating a good use of resources
  - how long-term trends, demand pressures and challenges define the Council's financial strategy the impact of proposed budget changes on service delivery and cross cutting outcomes
  - the impact of the pandemic and cost of living on the Council's budget and future financial sustainability and resilience
  - high risk and high-cost areas of spend.
- 4.4 The Budget Proposals may also change as a result of the consultation process.
- 4.5 The MTFP underpins delivery of the Council's ambitions which are set out in the Council Plan 2022-25. An update to this is included in Appendix 6 of the Budget report presented to Cabinet on 20<sup>th</sup> December.

## Public/stakeholder engagement

- 5.1 The annual Budget Scrutiny meeting ensures Scrutiny is provided with a formal opportunity to contribute to the Budget Consultation process.

## **Other options**

- 6.1 While alternative approaches have been considered, Council Cabinet are recommending budget proposals they consider to be deliverable and are financially sustainable in the medium term.

## **Financial and value for money issues**

- 7.1 The Council is legally required to set a balanced budget for the next financial year, by 11<sup>th</sup> March 2024. Following the period of consultation, Council Cabinet will recommend a budget to Full Council on 28<sup>th</sup> February 2024.
- 7.2 This report presents a balanced budget for 2024/25. There are currently budget gaps for 2025/26 and 2026/27.

## **Legal implications**

- 8.1 Part 4 of the Council's Constitution (Rules of Procedure) set out a series of Budget and Policy Framework Procedure Rules which require the Council Cabinet's initial budget proposals to be referred to the relevant overview and scrutiny board for further consideration and, if appropriate, recommendations.
- 8.2 Any recommendations arising from this report will be assessed for their legality on an individual basis.

## **Climate Implications**

- 9.1 All climate implications within the schemes outlined in the Budget report will be considered as appropriate.

## **Equality and Socio Economic Implications**

- 10.1 Appropriate equality impact assessments will be carried out with regard to the final budget proposals, which includes consideration of socio-economic impacts.

## **Other significant implications**

- 11.1 Further implications in relation to personnel, risk management, safeguarding etc will be considered on a case-by-case basis as part of the overall budget process.

**This report has been approved by the following people:**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Paul McMahon	05/01/2024
<b>Finance</b>	Alison Parkin, Director of Finance	04/01/2024
<b>Service Director(s)</b>	Alison Parkin, Director of Finance	04/01/2024
	Heather Greenan, Director of Corporate Management	04/01/2024
<b>Report sponsor</b>	Alison Parkin, Director of Finance	04/01/2024
<b>Other(s)</b>		

**Background papers:**

**List of appendices:**

Appendix 1 – Report considered by Council Cabinet on 20th December 2023  
(Medium Term Financial Plan 2024/25 to 2026/27 – Update and proposed  
Consultation