

**Report to: Health and Wellbeing Committee, 23<sup>rd</sup> October 2023**

**Report of: Corporate Director - Finance and Resources**

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**Subject: SETTING OF THE BUDGET FOR 2024/25 AND MTFP TO 2028/29**

### **Recommendation**

**1. That the Committee considers the priorities for the Council and recommends any change of emphasis for the services' income and expenditure allocations.**

### **2. Background**

- 2.1 The budgets for 2023/24 were approved by Full Council on 21 February 2023 and published in the annual Budget Book.
- 2.2 These provide detailed budgets for each of the Council's services covering both income and expenditure.
- 2.3 The Council also produces a Medium Term Financial Plan (MTFP) for the next 5 years setting out the high level pressures and opportunities that are likely to need to be addressed. Revenue and capital spending decisions made during each budget cycle feed into the MTFP and determine the level of reserves that the Council needs to ensure that services can be sustained in future.

### **3. Review of Service Budgets**

- 3.1 Members are invited to submit suggestions of potential service improvements that could be considered by the Services in order to continue to achieve service objectives and to deliver the relevant aims of the City Plan.
- 3.2 Given that the Council faces a reduction in its future funding and has experienced a reduction in its income, this exercise is likely to result in a reduction or reallocation of resources rather than an increase in the net budget available.
- 3.3 The MTFP that was approved by this council in February 2023 included a projected budget gap for 2024/25 of £2.25m which was set to increase in subsequent years. A Savings Plan was therefore set up to address the shortfall.
- 3.4 To date total savings, including improvements in income, of £1.9m have been identified. Where this effects the level of service provided, members approval has been obtained.
- 3.5 The various savings cover a wide range of the council's activities and the relevant budgets. The committee responsibility for these budget changes is as follows:

Savings Planned 2024/25 Budget £'000	Environment	Communities	PED	Policy &	Health &	Total £'000
	Committee	Committee	Committee	Resources	Wellbeing	
Non-VR staff changes	2	-	11	150	-	164
Savings in non-statutory services	180	73	53	303	30	639
Savings in statutory services	-	-	-	36	-	36
Specific income increases	29	92	34	91	-	245
Contributions to Shared services	10	-	-	258	-	268
Interest receivable	-	-	-	200	-	200
Reduced energy cost estimates at Leisure centres	-	190	-	-	-	190
Parking enforcement – new arrangement with County	140	-	-	-	-	140
	361	355	98	1,039	30	1,882

- 3.6 The budget saving attributable to this committee is a £30k reduction in the budget for the Discretionary Welfare Assistance Scheme (DWAS). This was approved by Policy and Resources Committee on 25 July 2023. Alternative funding will be provided by the Household Support Fund for as long as it continues to be received, see para 4.2 below.

#### 4. Projects and Capital Expenditure

- 4.1 Members have previously received a report on actions arising from the report by the Child Poverty Action Group and an allocation of £50,000 was made as part of the 2022/23 budget. There is currently a balance of £37,426 which remains unspent.
- 4.2 During 2023/24 the City Council received a grant of £353k from the County Council for the Household Support Fund. This is fully committed including £106k for the Worcester Foodbank, £88k for supermarket food vouchers and £95k for additional DWAS support. Similar funding for 2024/25 has not yet been confirmed.
- 4.3 The aspects of the City Plan relevant to this committee are being addressed through the Worcester City District Collaborative which has been formed as part of implementing the Worcestershire Health and Wellbeing Strategy.
- 4.4 In addition, the 2023/24 Q2 year-end forecast Capital Programme is shown on **Appendix 1** (To follow) and the 2023-2028 Capital programme approved as part of the Budget in February 2023 is shown in **Appendix 2**.
- 4.5 Members are asked to consider whether the current projects are still appropriate for each service and whether there are any further needs that require addressing. This should include phasing the projects across the full 5 year term of the MTFP based on the need and importance of each one.
- 4.6 Given that the Council faces a reduction in its future funding, recommendations should be prioritised to ensure the limited resources are allocated most effectively.

#### 5. Implications

- 5.1 Financial and Budgetary Implications  
None arising directly from this report.

5.2 Legal and Governance Implications

The Council has a requirement to set a balanced budget for 2024/25.

5.3 Risk Implications

None arising directly from this report.

5.4 Corporate/Policy Implications

None arising directly from this report.

5.5 Equality Implications

None arising directly from this report.

5.6 Human Resources Implications

None arising directly from this report.

5.7 Health and Safety Implications

None arising directly from this report.

**Ward(s):**

**All**

**Contact Officer:**

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**Background Papers:**

**None**