

Report to: Health and Wellbeing Committee, 22nd January 2024

Report of: Corporate Director – Finance and Resources

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

1. Recommendation

- 1.1 That the Committee considers the priorities within each service and recommends any change for the services' Budgets;**
- 1.2 That the Committee considers the services' Capital programme and future projects and recommends any changes or additions; and**
- 1.3 That the Committee reviews any new budget proposals from members and makes recommendations to Policy and Resources Committee as appropriate.**

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. These provide detailed budgets for each of the Council's services covering both income and expenditure.
- 2.2 The Council also produces a Medium Term Financial Plan for the next 5 years setting out the high level pressures and opportunities that are likely to need to be addressed.

3. Review of Service Budgets

- 3.1 Members are asked to consider any potential changes in the budgets for the areas that fall under the remit of this committee.
- 3.2 In light of any changes experienced by the services in the last 12 months, Members are asked to consider whether amendments are needed to the services' budgets in order to continue to achieve service objectives and to deliver the relevant aims of the City Plan.
- 3.3 The budget for Discretionary Welfare and support (DWAS) has been reduced from £119k to £89k. However, the reduction of £30k will be funded by an allocation from the Household Support Fund so that the amount available to be spent remains unchanged for as long as the Household Support grant continues.
- 3.4 The Council is facing a period of significantly increasing costs which are exceeding increases in income. **Appendix 1** shows the Medium Term Financial plan (MTFP) including the latest annual Settlement which was notified by DLUHC in late December 2023. Currently this represents a budget gap of £0.452m and therefore any proposed budget amendments at this stage are likely to result in a reduction or reallocation of resources rather than an increase in the net budget available.

- 3.5 The budget gap for 2024/25 has been reduced by £1.9m through the financial improvements generated by the Savings Plan. However, the effects of inflation mean that the gap will continue to increase and further savings will need to be identified.

4. Projects and Capital Expenditure

- 4.1 In a separate report to this committee meeting, Members have received a progress report on the various projects aligned to this committee. In addition, the Council's draft Capital Programme to 2028/29 is shown in **Appendix 2 (to follow)**.
- 4.2 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.
- 4.3 The approach adopted should be to focus on addressing the key themes identified in the City Plan. This should include greater detail on the proposed spend against each allocation and phasing the projects across the full 5 year term of the MTFP based on the need and importance of each one.
- 4.4 As noted in para 3.3 above, the Council faces increasing costs pressures and recommendations should be prioritised to ensure that the limited resources are allocated most effectively.

5 Implications

5.1 Financial and Budgetary Implications

Should members have any proposals for new City Plan themes or projects that require funding for inclusion in the 2024-2029 MTFP, these should be discussed and, if appropriate, approved by this committee. They will then be forwarded to the meeting of the Policy and Resources Committee on 6 February 2024 for consideration along with those proposals submitted by the council's other policy committees and committees.

5.2 Legal and Governance Implications

Responsibility for setting the budget rests with Full Council which receives recommendations from the Policy and Resources Committee. Any proposals agreed by this Committee must therefore be forwarded to the Policy and Resources Committee for consideration at its meeting of 6 February 2024 before being recommended, if approved, to the Full Council meeting of 20 February 2024.

5.3 Risk Implications

There will be a General Election held during 2024/25 which may bring changes to Government policy on Local Government finances. It is too early to say what these may be but examples could be changing the commitment to maintaining core spending power, cancelling the reform of Business Rates and increasing the maximum increase allowed in Council Tax.

5.4 Corporate/Policy Implications

None directly arising from this report.

5.5 Equality Implications

None directly arising from this report.

5.6 Human Resources Implications

None directly arising from this report.

5.7 Health and Safety Implications
None directly arising from this report.

5.8 Social, Economic and Environmental Implications
None directly arising from this report.

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Background Papers: None