

Cabinet - 07 February 2024

Supplementary Report - Corporate Budget Plan 2024/25 to 2027/28, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2024/25

Since the dispatch of the budget plan to Cabinet on 07 February 2024 the final Local Government Settlement was published on 05 February 2024.

The final settlement included the following amendments:

- Increase in Social Care Grant £2,982,968 taking the total funding to £32,121,621;
- Increase in Public Health Grant £129,177 taking the total funding to £19,692,916;
- Increase in Services Grant £46,198 taking the total funding to £521,977;
- Increase in Top Up Grant £254,498 taking total funding to £22,331,446.

All of the above have an impact on the General Fund but there is no overall impact on the gross expenditure or gross income figures, the Council Tax valuation bands or the Council Tax requirement. The impact on the General Fund is a reduction in the use of earmarked reserves required to support the budget, releasing £3,412,841 to support any in year pressures that may arise in 2024/25 and beyond.

Table 1 of this report has been updated to reflect the above changes. This updated table is replicated below.

In respect of the Chief Finance Officer (S151 Officer) Section 25 Report, Annex 11 the impact of the final settlement does not change the Chief Finance Officer's recommendations in respect of the level or adequacy of reserves.

Due to timing of the announcement the updated report and Section B 'Corporate Budget Plan' have not been reproduced for this meeting.

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Table 1: Movement in MTFO since draft budget update report to Cabinet on 13 December 2023

| TO BE UPDATED | 2024/25 £m | 2025/26 £m | 2026/27 £m | 2027/28 £m | Total £m |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Gap as per report to Cabinet 13 December 2023 | 12.35 | 17.56 | 8.41 | 8.70 | 47.02 |
| Changes to investments | | | | | |
| Inv. 6 - New posts within planning & land registry reduced | (0.05) | (0.05) | 0.10 | 0.00 | 0.00 |
| Inv. 8 - Charge developers for travel plans - reinstate removal of saving | (0.03) | 0.00 | 0.00 | 0.00 | (0.03) |
| Inv. 9 - Crisis Support - reinstatement of reduction | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 |
| Inv. 10 - Social Care increases in demand based updated profile | (2.45) | 0.00 | 0.00 | 0.00 | (2.45) |
| Inv. 11 - Contract price uplifts based on updated profile | 2.45 | 0.00 | 0.00 | 0.00 | 2.45 |
| Inv. 12 - Adult Social Care affordability model - Housing 21 | (0.11) | (0.00) | (0.00) | (0.02) | (0.14) |
| Inv. 38 - Coroners contractual inflation | (0.03) | 0.00 | 0.00 | 0.00 | (0.03) |
| Inv. 43 - Increase in bed and breakfast costs | 0.19 | 0.01 | 0.01 | 0.01 | 0.22 |
| Inv. 54 - Capital financing / borrowing rescheduling | 0.00 | 0.00 | 2.50 | (2.50) | 0.00 |
| Inv. 58 - Transport Levy | 0.06 | 0.12 | 0.13 | 0.13 | 0.43 |
| Inv. 59 - Cost of living / demand | 1.36 | (1.36) | 0.00 | 0.00 | 0.00 |
| Inv. 84 – Revised Agency for domestic and garden waste | (0.03) | 0.00 | 0.00 | 0.00 | (0.03) |
| Inv. 92 - Rewilding of urban grassed areas - reinstate part saving removal | (0.05) | 0.00 | 0.00 | 0.00 | (0.05) |
| Inv. 95 - Other contractual implications in Economy, Environment & Communities | (0.24) | 0.00 | 0.00 | 0.00 | (0.24) |
| Inv. 101 - Reduction in direct payment refunds - NEW | 1.10 | 0.00 | 0.00 | 0.00 | 1.10 |
| Inv. 102 - Local Stop Smoking Services & Support Grant - NEW | 0.37 | 0.00 | 0.00 | 0.00 | 0.37 |
| Inv. 103 - Household Support Fund grant now ceasing - NEW | 0.28 | 0.00 | 0.00 | 0.00 | 0.28 |
| Total changes to investments | 3.02 | (1.28) | 2.73 | (2.38) | 2.08 |
| Changes to savings proposals | | | | | |
| OP34 - Fees and charges reduced within Economy, Environment & Communities | (0.03) | 0.00 | 0.00 | 0.00 | (0.03) |
| OP45 - Review of courier costs of equipment to new starters removed | 0.05 | 0.00 | 0.00 | 0.00 | 0.05 |
| OP73 - Recovery of provider overpayment through payment audit - NEW | (1.10) | 0.00 | 0.00 | 0.00 | (1.10) |
| OP74 - Additional income generation in Communications - NEW | 0.00 | (0.07) | (0.09) | 0.00 | (0.16) |
| OP76 - Additional Third Party spend (TPS) savings – NEW (council wide) | (3.00) | 0.00 | 0.00 | 0.00 | (3.00) |
| OP77 – Digital Opportunities – NEW (council wide) | (2.70) | 0.00 | 0.00 | 0.00 | (2.70) |
| Total changes to savings proposals | (6.78) | (0.07) | (0.09) | 0.00 | (6.94) |

| | 2024/25 £ | 2025/26 £ | 2026/27 £ | 2027/28 £ | Total £ |
|---|---------------|---------------|--------------|---------------|---------------|
| Other changes / service adjustments | | | | | |
| Use of reserves - Crisis Support | (0.50) | 0.00 | 0.00 | 0.00 | (0.50) |
| Use of reserves – staffing in ASC and Children's (2 years transitional funding) * | (2.93) | 0.00 | 2.93 | 0.00 | 0.00 |
| Use of reserves - ASC demand (1-year transitional funding) * | (3.86) | 3.86 | 0.00 | 0.00 | 0.00 |
| Use of reserves - home to school transport (1-year transitional funding) * | (0.99) | 0.99 | 0.00 | 0.00 | 0.00 |
| Use of reserves - Public Health (1-year transitional funding) * | (0.30) | 0.30 | 0.00 | 0.00 | 0.00 |
| Use of reserves - Cost of living | (1.36) | 1.36 | 0.00 | 0.00 | 0.00 |
| Release of central budgets | (1.38) | 0.00 | 0.00 | 0.00 | (1.38) |
| Base budget adjustment - Local Stop Smoking Services & Support s31 grant income (Adult Social Care) | (0.37) | 0.00 | 0.00 | 0.00 | (0.37) |
| Removal of undeliverable saving (CAM) | 1.54 | 0.00 | 0.00 | 0.00 | 1.54 |
| Democratic Services increased provision | 0.06 | 0.00 | 0.00 | 0.00 | 0.06 |
| Changes in council tax base | 0.37 | 0.01 | 0.01 | 0.01 | 0.40 |
| Changes to Council tax surplus | 0.30 | (0.30) | 0.00 | 0.00 | 0.00 |
| Net movement in Provisional Settlement 18/12/23 | 0.83 | 0.76 | (0.02) | (0.03) | 1.54 |
| Total other changes / service adjustments | (8.59) | 6.98 | 2.92 | (0.01) | 1.29 |
| Changes following receipt of the Final Settlement on 05.02.2024 | | | | | |
| Increase in Social Care Grant | (2.98) | 0.00 | 0.00 | 0.00 | (2.98) |
| Increase in Public Health Grant | (0.13) | 0.00 | 0.00 | 0.00 | (0.13) |
| Increase in Services Grant | (0.05) | 0.00 | 0.00 | 0.00 | (0.05) |
| Increase in Top Up Grant | (0.25) | 0.00 | 0.00 | 0.00 | (0.25) |
| Reduction in use of reserves - ASC demand (1-year transitional funding) * | 2.98 | (2.98) | 0.00 | 0.00 | 0.00 |
| Reduction in use of reserves - Public Health (1-year transitional funding) * | 0.13 | (0.13) | 0.00 | 0.00 | 0.00 |
| Reduction in use of reserves – Business rates retention | 0.30 | (0.30) | 0.00 | 0.00 | 0.00 |
| Total changes from Final Settlement | 0.00 | (3.41) | 0.00 | 0.00 | (3.41) |
| Revised savings to be identified (Current gap) | (0.00) | 19.78 | 13.97 | 6.30 | 40.04 |

Note:

1. * *Transitional funding through the use of earmarked reserves has been provided to allow time for development of revised demand management and transformation plans for adults and children's social care and public health and to agree next stages of this work.*
2. *Figures in brackets refers to a reduction in expenditure; increase in savings or grant; or use of reserves.*