

CABINET MEETING – 18 JANUARY 2024**EXECUTIVE SUMMARY SHEET – PART I****Title of Report:**

Revenue Budget 2024/2025 to 2027/2028 – Update and Provisional Local Government Finance Settlement 2024/2025

Author(s):

Director of Finance

Purpose of Report:

This report provides an update on the budget position for 2024/2025 to 2027/2028 including the impact of the Provisional Local Government Finance Settlement, prior to the receipt of the Final Local Government Finance Settlement 2024/2025.

Description of Decision:

Cabinet is requested to:

- Note the update to the Government funding position, including the outcome of the Provisional Local Government Finance Settlement set out at section 4 of the report;
- Note the update on the 2024/2025 to 2027/2028 budget planning as set out at sections 5 to 11 of the report; and
- In relation to the Sunderland Schools' local funding formula, the Sunderland Schools' Forum recommended Cabinet be requested to approve the following in principle, subject to final modelling and verifying affordability, to be implemented for the 2024/2025 Sunderland local funding formula:
- The National Funding Formula (NFF), made up of fifteen different funding elements, to be implemented with the following local adjustments:
 - The Minimum Funding Guarantee applied at 0.5% in line with the NFF value;
 - A transfer of 0.5% (c. £1m) to the High Needs Block in recognition of ongoing pressures; and
 - Reduction in the Basic Entitlement Factors (Average Weighted Pupil Unit) to allow for the transfer above.

Is the decision consistent with the Budget/Policy Framework? Yes – it is seeking to inform a future decision to set the Budget for 2024/2025.

If not, Council approval is required to change the Budget/Policy Framework**Suggested reason(s) for Decision:**

To provide an update on the Government funding position, including the impact of Provisional Local Government Finance Settlement on the budget planning for 2024/2025 to 2027/2028.

To update the Medium-Term Financial Plan and Budget Planning in light of the latest information.

Alternative options to be considered and recommended to be rejected:

There are no alternative options recommended for approval.

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Is the Decision consistent with the Council's co-operative values? Yes

Is this a "Key Decision" as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

REVENUE BUDGET 2024/2025 TO 2027/2028 - UPDATE AND PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2027/2028**Report of the Director of Finance****1. Purpose of Report**

- 1.1 This report provides an update on the budget planning position for 2024/2025 to 2027/2028, including the impact of the Provisional Local Government Finance Settlement, prior to the receipt of the Final Local Government Finance Settlement 2024/2025.

2. Description of Decision

- 2.1 Cabinet is requested to:
- Note the update to the Government funding position, including the outcome of the Provisional Local Government Finance Settlement set out at section 4 of the report;
 - Note the update on the 2024/2025 to 2027/2028 budget planning as set out at sections 5 to 11 of the report; and
 - In relation to the Sunderland Schools' local funding formula, the Sunderland Schools' Forum recommended Cabinet be requested to approve the following in principle, subject to final modelling and verifying affordability, to be implemented for the 2024/2025 Sunderland local funding formula:
 - The National Funding Formula (NFF), made up of fifteen different funding elements, to be implemented with the following local adjustments:
 - The Minimum Funding Guarantee applied at 0.5% in line with the NFF value;
 - A transfer of 0.5% (c. £1m) to the High Needs Block in recognition of ongoing pressures; and
 - Reduction in the Basic Entitlement Factors (Average Weighted Pupil Unit) to allow for the transfer above.

3. Budget Context

- 3.1 The Budget Planning Framework and Medium-Term Financial Plan report to Cabinet in December 2023 provided details of the budget planning assumptions and medium-term budget forecast position at that time. It reflected a backdrop of uncertainty, given the Government's continued delay in both the fair funding review and any changes to the business rates system. The Government's 2021 Spending Review provided central government departments, including the Department for Levelling Up, Homes and Communities (DLUHC), with 3-year expenditure limits covering the period 2022/2023 through to 2024/2025. Amendments to these plans were announced in the Chancellor's Autumn Statements in November 2022 and November 2023, with the main changes as part of the 2022 Autumn Statement linked to additional funding allocations for the mounting adults and children's social care pressures that all councils are facing.

3.2 Given the short passage of time since the last update to Cabinet the budget planning expenditure assumptions are unchanged for the majority of areas, except for those noted in section 7, therefore this report will primarily focus on the budgetary impact of the Provisional Local Government Finance Settlement for 2024/2025 and the implications on the Budget of the proposed council tax base for 2024/2025.

4. Provisional Local Government Settlement for 2024/2025

4.1 The provisional settlement announced on 18 December 2023 is a one-year settlement and is largely in keeping with the Chancellor's 2021 Spending Review and 2023 Autumn Statement. The 2024/2025 Provisional Settlement provides an average 6.5% increase in Core Spending Power (CSP) for councils nationally. It is important to note that a proportion of this increase in spending power would be derived through local Council Tax rises rather than through additional national funding. Nationally, based on the Government's assumptions, 53% of the 6.5% increase would be funded through a Council Tax increase of 2.99% for core Council Tax and a further 2% for the Adult Social Care Precept element, i.e., Government in its assumptions for local government expects that councils will increase Council Tax by 4.99% in 2024/2025 to provide the necessary funding to deliver services with this forming part of the headline CSP increase.

Core Spending Power

4.2 The Government uses a measure known as the Core Spend Power (CSP) to indicate the impact of changes in funding. For 2024/2025, this measure includes:

- Settlement Funding Assessment (SFA) comprising:
 - Revenue Support Grant (RSG);
 - Baseline Funding (Top Up Grant); and
 - Assumed Retained Business Rates.
- Compensation for the under-indexing of the Business Rates Multiplier;
- Council Tax Income, which as detailed above the Government assumes a 4.99% increase is applied in addition to additional income from growth in the council tax base;
- Local Government element of the Improved Better Care Fund;
- New Homes Bonus;
- Social Care Grant;
- Adult Social Care Market Sustainability and Improvement Fund;
- Adult Social Care Discharge Fund; and
- Services Grant.

4.3 CSP will increase by an average 6.5% nationally in 2024/2025. For Sunderland the increase is 6.7% (based upon the Government's assumed Council Tax increase of 4.99%) as shown in the table below. As noted, nationally 53% of this increased spending power is assumed from Council Tax rises. Given Sunderland's relatively lower Council Tax base this proportion is much lower, at 34.7%.

	2023/24	2024/25	2024/25	2024/25
	£m	£m	Change £m	Change %
Settlement Funding Assessment	121.554	127.813	6.259	5.1%
Compensation for under-indexing the business rates multiplier	15.174	17.759	2.585	17.0%
Council tax requirement excluding parish precepts	120.523	127.976	7.453	6.2%
Improved Better Care Fund	18.684	18.684	0.000	0.0%
New Homes Bonus	1.183	1.019	(0.164)	-13.8%
Social Care Grant ⁴	29.337	35.066	5.729	19.5%
ASC Market Sustainability and Improvement Fund	3.671	6.859	3.188	86.8%
ASC Discharge Fund	2.619	4.366	1.746	66.7%
Services Grant ⁶	3.473	0.546	(2.926)	-84.3%
Sunderland Core Spending Power	318.604	340.089	21.485	6.7%
<i>Memorandum National Position</i>				6.5%

Settlement Funding Assessment (SFA)

- 4.4 For Sunderland there is a 5.1% increase in SFA for 2024/2025. The relatively low percentage increase is as a result of the continued freeze on the small business rates multiplier for 2024/2025 for which councils are compensated through Section 31 grant funding. Although the Section 31 grant compensation is part of the Council's CSP, it is outside of the SFA element of funding. It should be noted that actual business rates received will be dependent on the Council's own position which will be confirmed within the new National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast) to be submitted to Government by 31 January 2024. The increase in Revenue Support Grant is in line with inflation.

Settlement Funding Assessment	2023/24 £m	2024/25 £m	Change £m	Change %
Revenue Support Grant	32.471	34.622	2.151	6.6%
Baseline Funding Top-up	47.190	49.598	2.409	5.1%
Assumed Business Rates	41.893	43.593	1.699	4.1%
Sunderland Total SFA	121.554	127.813	6.259	5.1%

Improved Better Care Fund

- 4.5 The Improved Better Care Fund (IBCF) 2024/2025 allocation has been frozen at the 2023/2024 level. This is in line with budget planning forecasts.

New Homes Bonus (NHB) Grant

- 4.6 The national quantum of funding available for NHB has remained at £291m for 2024/2025. Sunderland's allocation of NHB has reduced from £1.183m in 2023/2024 down to £1.019m in 2024/2025. Previous planning assumptions had been that the Council would not receive any NHB grant in 2024/2025 on the basis that the grant was likely to be phased out. Given the potential phasing out of this grant and the Government's intention to consult on NHB during 2024/2025, future years' assumed allocations have been prudently removed from budget planning from 2025/2026.

Social Care Grants

- 4.7 As anticipated, Social Care Grant allocations from prior years have been maintained and the previously announced increases in social care grants in 2024/2025 have been confirmed. Some additional funding has been received reflecting the equalisation of this funding (to take into account that councils can raise different amounts of funding through Council Tax). The Adult Social Care Workforce Fund confirmed in July 2023 (£1.339m for 2024/2025) will be rolled into the larger Adult Social Care Market Sustainability and Improvement Fund grant in 2024/2025, which implies that this funding will continue into 2025/2026. The Council's medium-term planning assumptions have been updated to take account of this change.

The Social Care grants will support the specific rising cost pressures on adults and children's social care as noted in prior reports, and also in paragraphs 7.1 to 7.2 below.

Services Grant

- 4.8 In recognition of the service delivery cost pressures facing councils, a new Services Grant totalling £822m nationally was announced for 2022/2023 and reduced to £483m in 2023/24. This national grant allocation has been significantly reduced again in 2024/2025 to £77m to fund increases elsewhere in the Settlement, this includes funding to support equalisation of the social care grant but also to fund the minimum funding guarantee to ensure that each council receives at least a 3% increase in CSP. The minimum funding guarantee mainly benefits district councils but also a small number of county councils. Sunderland's Services Grant allocation has reduced from £3.336m in 2023/2024 down to £0.546m in 2024/2025. It is likely that the Services Grant will be removed from 2025/2026 and therefore the budget planning has been updated accordingly.

Funding Outside Core Spending Power

Public Health Grant

- 4.9 The 2021 Spending review did indicate Public Health grant funding will be maintained in real terms, indicating an inflationary based increase, but this has not proved to be the case. Indicative Public Health grant allocations have already been announced. The indicative increase in allocations is only 1.36% (total

funding of £3.527bn in 2023/2024 and £3.575bn in 2024/2025) with the Council's indicative allocation increasing from £25.967m in 2023/2024 to £26.320m in 2024/2025. The budget planning has been updated with the indicative allocations and will be reviewed as required when the final grant allocation for 2024/2025 is confirmed.

Housing Benefit and Council Tax Administration Grant

- 4.10 The allocation for the Housing Benefit and Council Tax Administration Grants have yet to be notified. Financial planning assumes a freeze in this funding stream. The budget planning will be updated as required when the final grant allocation for 2024/2025 is known.

Council Tax

- 4.11 The Government has confirmed the Council Tax referendum principles for 2024/2025, being that the core element is subject to a maximum increase of up to 3%. Social Care authorities can levy an additional 2% in respect of the Adult Social Care Precept. Further detail in relation to Council Tax is provided in section 6.

5. Schools' Funding

- 5.1 On 19th December 2023 the Department for Education (DfE) set out the arrangements for school funding for 2024/2025.
- 5.2 In light of the significant progress made in relation to the National Funding Formula (NFF), and in order to continue to support a smooth transition, the DfE confirmed that local authorities would continue to determine local formulae during 2024/2025 with added restrictions.
- 5.3 In line with the approach and commitments set out last year, some policy changes are being made to the formula for 2024/2025. Illustrative local authority and school level allocations for the Schools Block, High Needs Block and Central School Services Block were published earlier in the year for planning purposes.
- 5.4 In 2024/2025, local authorities will only be allowed to use NFF factors in their local formulae and must use all NFF factors. Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2023/2024, unless they are already mirroring the NFF.
- 5.5 School funding through the NFF is increasing by 1.9% per pupil overall in 2024/2025. The NFF distributes this funding based on schools' and pupils' needs and characteristics.
- 5.6 Local budget flexibility arrangements associated with the Schools Block ring-fence are set to continue, which allows for local Schools' Forums to agree the transfer of up to 0.5% of their Schools Block funding to the High Needs Block. Sunderland Schools Forum has agreed to the transfer of c £1m (0.5%) from the Schools Block to the High Needs Block for 2024/2025. This is in recognition of

the ongoing demand on the High Needs Block due to increasing numbers of pupils receiving an Education, Health and Care Plan and the movement of pupils to specialist settings, the increase to top-up values and the increased cost of placements in non-maintained residential provision.

5.7 Sunderland Schools' Forum met on 23 November 2023 and recommended Cabinet be requested to approve the following in principle, subject to final modelling and verifying affordability, to be implemented for the 2024/2025 Sunderland local funding formula:

- The NFF to be implemented with the following local adjustments:
 - Minimum Funding Guarantee MFG applied at 0.5% in line with NFF value; a transfer of 0.5% (c. £1m) to the High Needs Block in recognition of ongoing pressures.
 - The Basic Entitlement factor set at reduced rates of £3,540.67 per Primary Pupil (NFF £3,562), £5,000.67 per Key stage 3 pupil (NFF £5,022) and £5,639.67 per Key Stage 4 pupil (NFF £5,661).

All other factors are in line with the NFF.

5.8 The School Funding announcement on 19th December 2023 confirmed the following information based on the October 2023 Schools' Census data. The change from the provisional funding allocation to the settlement information reflects changes in pupil numbers from October 2022 to October 2023 and also includes growth funding whereas the provisional allocations do not.

The Early Years Block comprises funding for the free early education entitlements for 3 and 4-year-olds, disadvantaged 2-year-olds, 2-year-old funding for working parents and from September 2024 this is extended to children from 9 months old. The figures are initial allocations for this block as early years funding is based on the January 2024 census data.

	Provisional Allocations 2024/25	19-Dec Settlement 2024/25	Change in Funding 2024/25
	£m	£m	£m
Schools Block	214.76 *	217.62	2.86
High Needs	44.89	45.19	0.30
Central Services	1.49	1.50	0.01
Early Years	N/A *	20.57	N/A
Total	261.14	284.88	

*Provisional allocations exclude Growth Funding and Early Years

Other schools grant funding

5.9 Further details will be made available in 2024 for the following grants that will continue into the next financial year: Universal Infant Free School Meals, Year 7 catch-up premium, Primary PE and Sport Premium and extended rights to home to school travel.

Next Steps - Schools

- 5.10 The Schools' Forum will consider all the information on 11 January 2024 prior to the submission of the Local Funding Formula proforma to the DfE on 22 January 2024.

6 Local Funding Elements for 2024/2025

- 6.1 The key local funding elements to support the revenue budget in 2024/2025 comprise:

Business Rates Retention System

- 6.2 The Non-Domestic Rating Act 2023 gives ministers the power to set the small and standard business rating multipliers separately from one another. At the November 2023 Autumn Statement, the Chancellor decided to use this new power in 2024/2025 which confirmed the small business multiplier would remain at 49.9p whilst the standard multiplier would increase in line with inflation (6.7%) from 51.2p to 54.6p.
- 6.3 The forecast income from business rates for 2024/2025 which will be retained by the Council is reported in the new NNDR 1 return. This must be submitted to the Government by 31st January 2024. The value of business rates, and any associated Section 31 compensation grants, to be taken into account in setting the 2024/2025 budget will only be confirmed upon completion and submission of the NNDR1 return.
- 6.4 The impact of the NNDR1 return on the budget position will be included in the budget report to Cabinet on 31st January 2024.

Council Tax

- 6.5 The Localism Act provides for the provision of referendums to veto excessive council tax increases. This places a limit on council tax increases and, if councils exceed Government limits, the public will be able to vote to agree or veto any increase considered 'excessive'. In the technical consultation the Government proposed the referendum threshold for 2023/2024 at 5%, comprising 3% for the core council tax element and 2% in respect of Adult Social Care Precept.
- 6.6 At this stage the budget planning assumes an increase in core Council Tax of 2.99% and an increase to the Adult Social Care precept of 2%, which will result in a combined increase of 4.99% i.e., below the referendum total 5% limit permitted by Government. Proposals in respect of the budget including any Council Tax increase are currently being consulted upon. An increase at this level would still require the use of £9m of reserves to balance the Council's budget in 2024/2025.
- 6.7 The final proposals in relation to increases to Council Tax for 2024/2025 will be considered as part of the 31 January 2024 budget report to Cabinet.

- 6.8 The Council Tax base position is reported elsewhere on today's agenda and has been taken into account in the latest budget planning assumptions. The Council Tax base assumptions have been reviewed to take account of the current Local Council Tax Support claimant numbers and trends and house building forecasts.
- 6.9 Proposals for the Local Council Tax Support Scheme for 2024/2025 are set out elsewhere on today's agenda.
- 6.10 Cabinet at its meeting on 31 January will receive a report setting out the estimated Council Tax collection fund position and the estimated Business Rates collection fund position. At this stage a net collection fund position is anticipated to be neutral and this has been included in the budget planning for 2024/2025.

7 Spending Pressure Updates

Adult Social Care

- 7.1 The financial pressure on adult social care delivery continues to rise linked to ongoing inflation levels, increasing home care / domiciliary care and residential care costs and staff retention issues. These pressures coupled with the Government's drive to increase hospital discharge rates and tackle workforce retention have informed an updated cost pressure assessment. This updated assessment has indicated further funding will to be needed to meet these significant cost and demand pressures in to 2024/2025, to allow service provision to continue. As noted previously some of the additional funding will have specific conditions attached linked to improving hospital discharges. Additional provision of £11.4m has been included.

Children Social Care

- 7.2 Further investment of £4.8m is proposed to TfC which will provide support for ongoing cost pressures that are being seen nationally associated with Home to School Transport and underfunding by the Government of the costs of caring for the current cohort of displaced young people under the National Transfer Scheme, alongside funding for wider children's social care pressures.

Homelessness and Supported Housing

- 7.3 The Council is seeing a significant increase in service demand by those that are homeless or at risk of homelessness. These increasing demands have been primarily due to the impact of the cost-of-living crisis and more recently with the refugee programmes. This increased demand to help people with their accommodation needs is placing financial pressure on the temporary accommodation budget. Whilst the related cost pressure is being managed in 2023/2024 and 2024/2025 it is uncertain how demand and accommodation costs will materialise in the future. Provision for additional costs of £1.530m over the period of the MTFP have been included.

8 Summary Budget Position Update 2024/2025 to 2027/2028

- 8.1 The spending pressures outlined in previous reports to Cabinet have now been refreshed to provide the most up to date forecasts which include the significant additional cost pressures noted in section 7 above. The table below summarises the updated spending pressures forecasts over the MTFP period.

	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m
Spending Pressures and Commitments					
Pay	9.598	4.172	4.284	4.399	22.452
Energy	(2.597)	0.500	0.500	0.500	(1.097)
Other Price and Contract Inflation (inc. Social Care Demand Pressures)	15.328	8.977	9.809	9.727	43.841
Transport Levy	0.611	0.500	0.500	0.500	2.111
Other Service Pressures	1.191	0.000	0.000	0.000	1.191
Capital Financing	5.130	3.000	3.000	1.200	12.330
Pensions Actuarial Review	0.000	0.000	2.000	0.000	2.000
Total Spending Pressures and Commitments	29.262	17.149	20.093	16.325	82.828

- 8.2 The Budget Planning Framework and Medium-Term Plan update reported to Cabinet in December 2023 included savings proposals for 2024/2025 of £6.673m.
- 8.3 The below table summarises the updates relating to government grants, spending pressures and savings outlined in this report. The overall budget gap for period 2024/2025 to 2027/2028 has reduced to £44.777m, with a balanced budget for 2024/2025 after using £9m of reserves and based on current known forecasts and assumptions.

	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m
Spending Pressures and Commitments	29.262	17.149	20.093	16.325	82.829
Previously Approved Savings Proposals	(0.179)	0.086	1.778	0.000	1.685
Government Grant Change	(15.711)	0.559	(1.027)	(1.048)	(17.227)
2024/25 Savings Proposals	(6.673)	(0.353)	0.000	0.400	(6.626)
Gross Funding Gap	6.699	17.441	20.844	15.677	60.661
Collection Fund Impact	(6.699)	(5.766)	(6.120)	(6.299)	(24.884)
Current MTFP Gap	0.000	11.675	14.724	9.378	35.777
Decrease / (Increase) in use of MTFP Reserve	0.000	0.000	1.400	7.600	9.000
Current MTFP Gap after agreed use of reserves and Council Tax increase	0.000	11.675	16.124	16.978	44.777

- 8.4 The Government have indicated that the new fair funding formula and revised system of retained business rates will be developed and consulted upon in the short to medium term but not before 2025/2026. It should be noted that the MTFP position assumes that should the new fair funding formula and revised system of retained business rates be introduced that the impact on the Council will be neutral. Should the Council's funding reduce as a result of any changes, Government has in the past used damping to limit and smooth any detrimental impact on formula changes, and it is widely anticipated that some form of damping arrangements will continue under any new system.
- 8.5 The Council's response to addressing the MTFP funding gap needs to be through the delivery of ongoing sustainable savings. The Council's Chief Officer Group are to commence a savings planning process to develop the savings proposals required to meet the current MTFP gap, for implementation in 2024/2025 or before where possible to do so. These will be considered and approved by Cabinet and Council as appropriate.

Use of One-Off Reserves

- 8.6 The Council's strong financial management and creation of reserves to support the budget over the medium term provides the opportunity to utilise funding to support the budget position whilst developing and delivering savings via the Efficiency Strategy. The Council has previously created a MTFP Smoothing reserve and Service Reduction reserve to address these forecast pressures. It is expected that these reserves will be around £25.6m at the start of next financial year and the MTFP assumes it will be used over the three-year period to 2026/27.
- 8.7 The current proposed budget for 2024/2025 relies on £9.000m use of reserves and takes into account the proposed 4.99% increase in Council Tax. This will be further considered with full Council Tax and Budget proposals reported to Cabinet on 31 January 2024.
- 8.8 In line with previous years, specific earmarked reserves will continue to be used for the purpose they were established in meeting one off funding pressures and to fund the capital programme.
- 8.9 Final decisions on any required use of one-off reserves to support the overall Council budget position will be considered in light of the outstanding uncertainties set out below.

9. Outstanding Uncertainties

- 9.1 There remain some areas of uncertainty at this late stage in the budget process for 2024/2025. Issues that remain include:
- Confirmation of the 2024/2025 local government pay awards;
 - Ongoing pressures in relation to both Adults and Children's Social Care and Homelessness and Supported Housing;
 - Delivery of approved savings plans;
 - The impact of capital priorities both in terms of debt charges and any associated operational (revenue) costs;

- The Government's plans and timescales in relation to any Fair Funding Review and Business Rates reform;
- The forecast income from business rates;
- The final collection fund position for both Council Tax and Business Rates for 2023/2024; and
- The general economic position and the direct impact on public sector finances.

In addition, it will be necessary to consider the feedback from the consultation which is taking place on the budget proposals as well as any changes confirmed in the Final Local Government Finance Settlement which is expected to be announced in late January / early February.

- 9.2 The outcome of the above issues together with the impact of the issues set out in sections 3 to 8 will be taken into account in finalising the budget proposals to be considered by Cabinet on 31 January 2024.

10. Budget Consultation

- 10.1 The Budget and Policy Framework procedure rules contained within the constitution of the Council requires consultation on budget proposals to take place. Budget consultation arrangements were detailed in the October and December 2023 budget reports to Cabinet.
- 10.2 Consultation on the budget proposals including savings proposals and potential increases in council tax and the adult social care precept, commenced on 8th December 2023 and is running until 8th January 2024.
- 10.3 In addition to residents, there will be communications with a range of partners and stakeholders including Trades Unions on behalf of our employees, Chamber of Commerce, Sunderland Business Innovation District (BID), and the wider business community.
- 10.4 Feedback from consultation with Scrutiny Coordinating Committee, Trade Unions and Business representatives will be considered in framing the final budget proposals to be submitted to Cabinet on 31 January 2024.

11. Equality Analysis Assessment

- 11.1 In accordance with the approach followed in previous years the Council continues to fully consider the impact of its plans by following a robust approach to equalities analysis.
- 11.2 As the results of the consultation are analysed and proposals are further developed, equality impacts will continue to be considered and will, in turn, inform the final budget proposals to be considered by Cabinet on 31 January 2024. Any additional equality impacts identified, along with mitigating actions or amendments to the proposals, will be reflected in the appendices to the report and the associated equality analyses.

12. General Fund Balances

- 12.1 A Statement of General Fund Balances is attached at Appendix 1.
- 12.2 The balances position will be updated / reviewed as the budget is progressed. A full risk analysis will be presented with the final budget proposals to the 31 January 2024 meeting of Cabinet.

13. Suggested Reason for Decision

- 13.1 To provide an update on the Government funding position, including the impact of Provisional Local Government Finance Settlement on the budget planning for 2024/2025 to 2027/2028.
- 13.2 To update the MTFP and Budget Planning in light of the latest information.

14. Alternative options to be considered and recommended to be rejected

- 14.1 There are no alternative options recommended for approval.

Background Papers

[Budget Planning Framework and Medium-Term Financial Plan 2024/2025-2027/2028](#)
(12 October 2023 Cabinet)

[Budget Planning Framework and Medium-Term Financial Plan 2023/2024 - 2027/2028](#)
(7 December 2023 Cabinet)

Statement of General Fund Balances

	£000
Balances 31st March 2023	12.000
Use of / Addition to Balances 2023/2024	
Contribution to Revenue Budget	0.000
Estimated Balances 31st March 2024	12.000

The above position will be reviewed and updated and reported to Cabinet on 31 January 2024.

