

RECORD OF EXECUTIVE DECISION

Wednesday, 29 November 2023

Decision No: (CAB 23/24 41451)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Finance and Change
SUBJECT:	Budget Matters - Medium Term Financial Strategy Update
AUTHOR:	Steve Harrison (Finance)

THE DECISION

General Fund – Revenue

It is recommended that Cabinet:

- i) Notes the updated budget position, progress made on the financial strategy and MTFS forecast.
- ii) Notes the savings proposals being consulted upon set out in paragraphs 33, 34, 40 and 41, and the full list of tranche 3 cost control and future savings measures set out in appendix 5.
- iii) Notes initial work on transformation costs (see paragraph 43 and table 6).
- iv) Agrees to the receipt of additional in-year grants from Government as set out in paragraph 70. The grants are: Short Breaks (£979k); Family Safeguard Model (£514k); Wraparound Childcare programme (£1,181k).
- v) Notes the consequence of not having a balanced budget, in terms of the option to seek Exceptional Financial Support from Government (see paragraphs 82 to 88) and what may ensue should a section 114 notice be required (see paragraphs 89 to 95).
- vi) Notes the financial risks as set out in the risk management section (paragraphs 106 to 120) and Appendix 8.

Capital Programme

It is recommended that Cabinet:

- vii) Note the revised General Fund Capital Programme, which totals £234.62M as detailed in paragraph 46.
- viii) Note the HRA Capital Programme is £255.70M as detailed in paragraph 46.
- ix) Approve the addition and spend of £2.15M to the Children & Learning programme in 2023/24 and 2024/25, as detailed in paragraphs 47 to 49 and Appendix 6.
- x) Approve the virements of £2.69M in the Place programme, as detailed in paragraphs 50 to 51 and Appendix 6.
- xi) Approve the addition and spend of £0.78M to the Place programme in 2023/24, as detailed in paragraph 52 and Appendix 6.

- xii) Approve the reduction of £6.92M to the Place programme in 2024/25, as detailed in paragraphs 53 and 54 and Appendix 6.
- xiii) Approve the addition and spend of £0.45M to the Wellbeing & Housing programme in 2023/24, as detailed in paragraph 55 and Appendix 6.
- xiv) Approve the reduction of £0.22M to the Wellbeing & Housing programme in 2023/24, as detailed in paragraph 56 and Appendix 6.
- xv) Approve slippage of £7.25M within the General Fund programme, as detailed in paragraphs 57 to 59 and Appendix 7.
- xvi) Approve slippage of £11.95M within the HRA programme, as detailed in paragraphs 57 to 59 and Appendix 7.
- xvii) Note that the capital programme remains fully funded up to 2027/28 based on the latest forecast of available resources although the forecast can be subject to change; most notably regarding the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received. However, the funding assumed for the programme includes borrowing costs and as noted in this report, the revenue budget which includes capital financing, is not balanced. It is also important to note that in times of rising interest rates, inflationary pressures and future budget shortfalls the capital programme needs to be kept under review.

REASONS FOR THE DECISION

1. The medium term financial strategy is a dynamic plan which requires regular review and update to ensure the council has clear oversight of its medium term financial position, therefore it is best practice to bring updates revising the assumptions and progress on the plan.
2. There is also a need to bring forward proposals to help address the budget shortfall identified for the current and future years.

DETAILS OF ANY ALTERNATIVE OPTIONS

An approach of failing to take actions in-year and implement the new financial strategy agreed in July would lead to a large forecast overspend which would mean the council being financially unsustainable and the issuing of a section 114 notice. The council is also legally obliged to set a balanced budget for 2024/25, and the work reported below includes measures to help with that requirement.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None.

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 29 November 2023

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*