DECISION-MAKER:		CABINET		
SUBJECT:		Budget Matters - Medium Term Financial Strategy Update		
DATE OF DECISION:		29 NOVEMBER 2023		
REPORT OF:		CABINET MEMBER FOR FINANCE & CHANGE		
<u>CONTACT DETAILS</u>				
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STATEMENT OF CONFIDENTIALITY

Appendix 7 is exempt from publication by virtue of category 3 of rule 10.4 of the council's Access to Information Procedure Rules i.e. information relating to the financial or business affairs of any particular person. It is not in the public interest to disclose this information due to an ongoing commercial dispute which is subject to a protected alternative dispute resolution procedure. If the information was disclosed then the council's financial position would be available to other parties to the dispute and prejudice the council's ability to achieve best value.

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BRIEF SUMMARY

The Medium Term Financial Strategy (MTFS) Update Quarter 2 was presented to Cabinet in October 2023. This report is focussed on 2024/25 savings proposals identified so far in addition to the cost control measures.

Urgent work has been taking place throughout the financial year to implement a new financial strategy to address the financial challenges faced. This work will continue throughout this year and future years. The latest update in this report is a forecast £13.7M overspend for 2023/24 (or £14.6M including funding potential transformation costs) if all proposals that have been brought forward in this and the preceding MTFS update reports are implemented in full and on time. This still leaves a significant gap, and urgent work must continue to address this and the considerable budget shortfall identified in future years, starting at £33.4M in 2024/25 and rising to £48.0M in 2026/27

(before potential transformation costs) and £38.4M in 2024/25 rising to £47.8M in 2026/27 with possible transformation costs added.

As this report highlights and as discussed in previous reports, the Council is at serious risk of not being able to balance its budget in 2024/25. Despite significant progress being made to reduce the budget gap in this financial year and next financial year with £23M of savings and cost control measures identified, there is still a significant budget gap of up to £33.4M in 2024/25. Funding needed for transformation would potentially increase this to £38.41M and should the Council need to externalise all borrowing, rather than make use of internal balances (see paragraph 13 below), the budget gap would then be around £38.75M.

The council's financial resilience is weakened by a low level of available reserves to address in-year overspends or other financial risks beyond existing budget provision. The Medium Term Financial Risk (MTFR) reserve, which is the main means to cover overspends and risks, will need to be utilised in full to address the in-year overspend unless the position is improved significantly, leaving the Council at significant risk of requiring either exceptional financial support from central government or issuance of a S114 notice. This position is mainly due to significant pressures in home to school transport, adult social care and childrens social care.

The risks around the potential for a section 114 notice, where the council declares it is unable to fund its spending from existing resources, were highlighted by the earlier reports. This risk remains a severe one, as demand pressures outstrip any funding increases and the council takes the time to reduce the base expenditure accordingly to remove the structural deficit.

The council may need to seek exceptional financial support from the Government to bridge the gap between funding and expenditure for 2024/25, and possibly 2025/26, to allow time for the necessary cost reductions to be delivered through transformation and improvement work. As outlined in previous reports, the council has been in informal contact with the Department of Levelling Up, Housing and Communities on this option. This would not be an easy option or without long term consequences. It does not provide any extra funding, but it does allow some flexibility with capital resources to meet revenue costs. There are no guarantees Government would agree this support, or if they did to what extent they would allow it.

It should be noted that the Government's Autumn Statement will be published prior to the report being discussed at Cabinet. Should the Statement provide any information that updates the position an amendment will be produced for the Cabinet meeting, to consider.

RECOMMENDATIONS:

	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)	Notes the consequence of not having a balanced budget, in terms of the option to seek Exceptional Financial Support from Government (see paragraphs 81 to 87) and what may ensue should a section 114 notice be required (see paragraphs 88 to 94).
	<u>Capital Programme</u> It is recommended that Cabinet:	
	v)	Note the revised General Fund Capital Programme, which totals £234.62M as detailed in paragraph 46.
	vi)	Note the HRA Capital Programme is £255.70M as detailed in paragraph 46.
	vii)	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.
	viii)	Approve the virements of £2.69M in the Place programme, as detailed in paragraphs 50 to 51 and Appendix 6.
	ix)	Approve the addition and spend of £0.78M to the Place programme in 2023/24, as detailed in paragraph 52 and Appendix 6.
	x)	Approve the reduction of £4.92M to the Place programme in 2024/25, as detailed in paragraph 53 and Appendix 6.
	xi)	Approve the addition and spend of £0.45M to the Wellbeing & Housing programme in 2023/24, as detailed in paragraph 55 and Appendix 6.
	xii)	Approve the reduction of £0.22M to the Wellbeing & Housing programme in 2023/24, as detailed in paragraph 56 and Appendix 6.
	xiii)	Approve slippage of £7.25M within the General Fund programme, as detailed in paragraphs 57 to 59 and Appendix 7.
	xiv)	Approve slippage of £11.95M within the HRA programme, as detailed in paragraphs 57 to 59 and Appendix 7.
	viii)	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 REPORT RECOMMENDATIONS		
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.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		

3. 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.

DETAIL (including consultation carried out)

Background

October 2023 MTFS Update

4. Progress on delivering the financial strategy and an update on the Medium Term Financial Strategy (MTFS) for the period 2023/24 to 2026/27 was provided to Cabinet in October 2023.

5. Table 1 below summarises the medium term financial position reported in October 2023.

6. Table 1 Previous Forecast Budget Shortfall 2023/24 to 2026/27 October 2023

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M
Forecast Budget Shortfall July 2023	20.90	46.14	50.07	56.97
Unachievable Savings	(0.51)	0.13	0.13	0.13
Budget Pressures	1.02	(0.12)	(0.44)	(0.99)
Changes to Inflation	(0.04)	0.85	0.85	0.85
New Proposed Commitments	(0.13)	(0.05)	(0.05)	(0.05)
Funding Changes	0.00	(0.34)	1.19	2.72
One-off Sums	(4.47)	(2.56)	0.00	0.00
Transfers to/(from) Reserves	4.87	2.96	0.40	0.00
Second tranche of cost control measures	(7.55)	(9.18)	(7.29)	(7.21)
Forecast Budget Shortfall October 2023	**14.09**	**37.82**	**44.86**	**52.42**

Numbers are rounded

7. This report provides an update on progress being made to closing the budget gap in 2023/24 and reducing the forecast shortfall in future years.

MTFS Assumptions

8. Updates to MTFS assumptions since October 2023 are set out below in paragraphs 9 to 22, reflecting the latest information available. The revised main MTFS assumptions are set out in Table 2 below.

Table 2 Revised Key MTFS Assumptions

2022/23	Item	2023/24	2024/25	2025/26	2026/27
	Pay Award	5.6%	3.0%	2.0%	2.0%
	Consumer Price Index (CPI)	6.7%	3.2%	2.1%	2.0%
	Borrowing Rates	5.5%	5.0%	5.0%	5.0%
£1,644.39	Increase in Core Council Tax Charge	2.99%	2.99%	2.99%	2.99%
£186.31	Increase in Adult Social Care Precept	2.00%	2.00%	0.00%	0.00%
49.9p	Increase in Small Business Rates Multiplier	0.0%	6.6%	3.2%	2.1%

	£11.37M	Increase in Revenue Support Grant	13.3%	5.4%	3.2%	2.6%
	£4.63M	Increase in Top Up Grant	15.9%	5.4%	3.2%	2.6%
	£0.91M	Reduction in New Homes Bonus	-76.6%	-100.0%	0.0%	0.0%

Pay Award

9. The local government pay award for 2023/24 was agreed by the National Joint Council on 1 November 2023. The agreement is as per the employers' offer made in February 2023, a flat rate £1,925 increase for up to scale point 43 and a 3.88% increase for higher scale points. This is estimated to cost 5.6% on average, compared with the 4.0% allowed for in the budget, creating a budgetary pressure of £2.0M for 2023/24 and ongoing. In the October MTFS update the pay award assumption for 2024/25 was increased from 2% to 3%, creating a budget pressure estimated at £1.3M.

10. **Inflation (Consumer Price Index)**

11. The pace of reduction in general inflation has slowed, with the Consumer Price Index (CPI) for September 2023 being the same as for August 2023 at 6.7%. No change has been made to the contract inflation estimates included in the October MTFS update, which indicated an average increase for 2024/25 of 6.5%. A 1% variation in the contract inflation rate equates to approx. a £0.4M variation in expenditure.

Borrowing Rates

12. The October MTFS update assumed a borrowing rate for 2023/24 of 5.5%, with 5.0% thereafter (no change from the July MTFS update). Since 2012, the Council has pursued a strategy of internal borrowing – minimising external borrowing by running down its investment balances and only borrowing short term to cover cash flow requirements. The capital financing budget was set on the assumption this would continue, therefore any increase in the use of reserves results in the need to increase external borrowing and incur additional financing costs. Due to increasing use of reserves and reducing internal balances, external borrowing is forecast to increase by £16M, resulting in a pressure of £0.93M.

13. In accordance with CIPFA's Treasury Management Code the Council's optimum external borrowing position is calculated at the level of the liability benchmark, which represents an estimate of the cumulative external borrowing need of the Council to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £48M required to manage day-to-day cash flow (liquidity allowance) and offsetting internal balances.

As at quarter 2 the forecast borrowing requirement for 2023/24 is £79.22M. If the Council were to fully externalise all borrowing up to the level of its capital financing requirement (CFR) there would be an additional requirement of £113M in 2023/24, at a financing cost of £6.22M (full year) at 5.50% interest rate. This comes with the risk of cost of carry and a potential pressure of £0.34M, as surplus funds would need to be re-invested at a lower rate of circa 5.20%, achieving income of £5.88M. This would be a change from using as much 'internal' borrowing as possible i.e. the council's own cash resources, temporarily applied. The budget shortfall in tables 3 and 4 below does not include any assumption about this externalisation of borrowing as an additional pressure.

Increase in Core Council Tax Charge

14. The Government's Autumn Statement 2022 indicated that the 3% core council tax increase and 2% for adult social care precept increases would also be available in 2024/25, which is the MTFS assumption above.

15.	**Business Rates**
16.	The Non-Domestic Rating Act 2023 received royal assent on 26 October 2023. The Act makes a number of changes to the administration of business rates, including more frequent updates of rateable values. One significant change is the Act gives ministers the power to decouple the small and standard business rate multipliers. Currently the standard multiplier rate is derived by adding a supplement to the small business rate multiplier. From 1 April 2024 it is likely that the supplement will be abolished and the small and standard rate multipliers will be set independently. This will allow the Government to treat the multipliers differently in terms of freezing or capping etc. The decoupling of the multipliers has consequences for the business rates retention scheme (BRRS) and the Government is consulting on technical adjustments to the BRRS in response to the NDR Act. Amendments to the BRRS are considered necessary to maintain the accuracy of levy and safety net payments and future income compensation paid to local authorities for the impact of tax policy decisions. The basis for uprating key elements of the BRRS, such as baseline funding levels and top-up/tariffs, is also being reviewed.
17.	The MTFS assumes that the small business rates multiplier will be increased in line with the increase in the September CPI. The NDR Act confirms that the multipliers will be indexed to the annual change in CPI as a default. In this MTFS update the small business rates multiplier has been revised to reflect the CPI published for September 2023. The uplift applied is 6.62% (compared with 5.4% previously assumed), based on the year-on-year increase in the rounded index values rather than the headline CPI rate. An announcement with regards the business rate multipliers, and whether either of them will be capped or frozen for 2024/25, is expected to form part of the Chancellor's Autumn Statement on 22 November 2023. If either multipliers are capped/frozen the council will be compensated for the loss of business rates income via government grant and therefore this would have a broadly neutral impact on the council's funding. There is likely to be a small reduction in any compensation received as a result of decoupling the multipliers, the compensation factor for a separate standard rate multiplier would be marginally lower than that for the small business rate multiplier even if they are uplifted by the same percentage.
18.	MTFS estimates for council tax and business rates income for 2024/25 onwards have been updated for revised projections for residential and commercial developments, along with the change to the 2024/25 multiplier uplift noted above. The net effect of these changes is an estimated £0.73M additional income in 2024/25, reducing to £0.13M in 2026/27.
19.	**Revenue Support Grant and Top-Up Grant**
20.	The provisional 2024/25 local government finance settlement is expected to be announced in late December 2023. Based on the policy statement issued last December, grants such as revenue support grant (RSG) and top-up grant are expected to receive an inflationary uplift. However, services grant is expected to be reduced to pay for the RSG uplift and the top-up grant will be impacted by the technical adjustments to the BRRS. Given these uncertainties, no changes have been made to the assumptions around general grants in this MTFS update pending the provisional finance settlement announcement.
21.	**New Homes Bonus**
22.	Consultation on the future of the New Homes Bonus (NHB) funding is expected, but based on previous announcements it is expected to cease in 2024/25. The funding currently available through the NHB may be applied elsewhere, but at the time of writing we have no information on the Government's intentions.

Updated MTFS Position

23. Work continues in earnest to identify and put into action further cost control measures to help address the budget shortfall in 2023/24 and achieve a sustainable budget for future years. Table 3 below shows the movements since the position reported in October 2023.

24. Table 3 Updated Forecast Budget Shortfall 2023/24 to 2026/27 (Oct 2023 to Nov 2023)

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M
Forecast Budget Shortfall October 2023	14.09	37.82	44.86	52.42
Unachievable Savings	(0.20)	(0.61)	(0.21)	(0.21)
Changes to pressures	1.33	1.50	1.50	1.50
Funding Changes	0.00	(0.73)	(0.57)	(0.13)
Transfers to/(from) Reserves	0.00	0.20	0.00	0.00
Savings (not subject to further approval & consultation)	(1.48)	(3.92)	(3.91)	(3.91)
Updated Forecast Budget Shortfall (forecast as at end of October)	**13.74**	**34.25**	**41.67**	**49.67**
Savings subject to further approval & consultation	(0.07)	(0.86)	(2.09)	(1.72)
Updated Forecast Budget Shortfall	**13.67**	**33.40**	**39.58**	**47.95**
Potential Transformation Shortfall	0.94	5.01	3.22	0.00
Forecast Budget Shortfall after Transformation	**14.61**	**38.41**	**42.80**	**47.95**

Numbers are rounded

25. The updated medium term financial position, showing the overall changes since the budget was agreed in February 2023, is shown in Table 4 below.

26. Table 4 Updated Medium Term Financial Position 2023/24 to 2026/27 (changes since February)

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M
Budget shortfall as at February 2023	0.00	21.22	22.56	24.79
Demand and price increases	25.23	28.26	30.23	32.11
Requirement for growth	1.43	2.52	4.40	4.15
Income pressures	2.51	3.69	3.69	3.69
Delayed or unachieved savings	2.21	3.34	4.13	4.13
New Proposed Commitments	0.08	0.15	0.15	0.15
Funding Changes	0.00	(4.55)	(4.21)	(3.68)
One-off Sums	(4.47)	(2.56)	0.00	0.00
Transfers to/(from) Reserves	4.87	4.31	0.40	3.88
Tranche 1 cost control measures (July)	(9.08)	(9.02)	(8.48)	(8.44)
Tranche 2 cost control measures (October)	(7.55)	(9.18)	(7.29)	(7.21)

Savings (not subject to further approval & consultation)	(1.48)	(3.92)	(3.91)	(3.91)
Updated Forecast Budget Shortfall (forecast as at end of October)	**13.74**	**34.25**	**41.67**	**49.67**
Savings subject to further approval & consultation	(0.07)	(0.86)	(2.09)	(1.72)
Updated Forecast Budget Shortfall	**13.67**	**33.40**	**39.58**	**47.95**
Potential Transformation Shortfall (see table 6 below)	0.94	5.01	3.22	0.00
Forecast Budget Shortfall after Transformation	**14.61**	**38.41**	**42.80**	**47.95**

Numbers are rounded

27. Table 4 includes considerable pressures over and above the pay award pressure outlined in paragraph 9, the most significant budget pressures in 2023/24 include:

- Home to School Transport (£4.10M),
- Looked After Children placement costs (£4.78M)
- Children's Safeguarding agency staffing, allowances and overtime (£1.69M)
- Increased Adult Social Care costs (£4.00M)
- Increasing client numbers (£2.69M) within Wellbeing & Housing, and
- IT Services staffing and income shortfalls (£1.91M) within Corporate Services;

Further details of the budgetary pressures are provided in Appendix 3.

28. The savings are set out in Appendix 5. These total £1.55M in 2023/24, £4.78M in 2024/25, £5.99M in 2025/26 and £5.63M in 2026/27. This brings the total cost control measures and savings to date for 2023/24 to £18.18M.

29. Table 5 Summary of Cash Limited Budgets

Directorate	**2023/24 £M**	**2024/25 £M**	**2025/26 £M**	**2026/27 £M**
Children & Learning	63.94	56.91	58.95	55.02
Corporate Services	38.54	32.41	33.48	34.37
Place	28.25	27.71	27.35	28.82
Strategy and Performance	3.71	3.02	3.11	2.92
Wellbeing and Housing	95.11	87.65	92.13	86.98
Sub total Directorate	**229.55**	**207.70**	**215.02**	**208.11**
Central items	-7.97	26.13	24.90	37.37
Total budget	**221.58**	**233.83**	**239.92**	**245.48**

30. Updated cash limited budgets are set out in summary in Table 5 above and in more detail in Appendix 4.

31. **<u>Proposals subject to consultation – General Fund</u>**

32. Some proposals are subject to other consultations already in train. Two proposals subject to a budget consultation exercise are as follows for the General Fund:

33.	Proposal for consultation: Additional council tax premium for properties that are empty for more than 12 months A council tax premium is already charged on properties that are empty for more than 24 months. New legislation permits a premium to be charged once a property has been empty for more than 12 months, to act as an incentive to bring properties back into use. A decision to charge the premium is required before 1 April for the financial year to which it is to be implemented.
34.	Proposal for consultation: Introduce an additional council tax premium for second homes New legislation permits a council tax premium to be charged on second homes. A decision to charge the premium is required at least 12 months before 1 April for the financial year to which it is to be implemented. Both these new proposals being brought forward are include in Appendix 5 attached.
35.	**Housing Revenue Account**
36.	The Council is responsible for council housing and the operation of the Housing Revenue Account (the HRA). These responsibilities are outlined in legislation (principally the Local Government and Housing Act 1989 and subsequent amendments) and any guidelines on operation of the HRA from Government. This responsibility cannot be delegated.
37.	Cabinet/Council received an update on the HRA business plan at its October meeting, which outlined current pressures on the HRA and landlord controlled heating, and provided an update on potential savings within the HRA to mitigate pressures. The Cabinet agreed to recovery plan in July for the landlord controlled heating account and potential charges, which would be consulted alongside proposals for rent and service charges in due course.
38.	The current forecast for 2023/24 shows a deficit position overall of £2.1m, which is being mitigated by an equivalent reduction in the revenue contribution to the capital programme. The key variances were outlined in the July and October Cabinet updates. However, there has been an improvement in the forecast balance of the landlord controlled heating account. Following more favourable energy cost forecasts in October 2023, the forecast balance on the account has reduced from £3.6M to £3M, reducing pressure on future year charges.
39.	The HRA 40 year financial plan for 2024/25 is currently being drafted, and subject to a specific report in February 2024. However, the initial work suggests that, while current agreed spending plans are affordable, additional capacity needs to be built into the business plan in order to increase capacity to invest. In order to finalise business plan proposals, the following consultation needs to take place on two items below:
40.	HRA Rental increase: The maximum allowable rental increase for tenant rent in 2024/25 is set at 1% above the CPI figure for September 2023. This has been confirmed at 7.7%. A decision on the level of rent to set is required before 1 April for the financial year to which it is to be implemented.
41.	HRA Landlord controlled heating charges – proposed increase: There is currently a significant deficit on the Landlord controlled Heating Account, and the proposal is to move towards a 5 year recovery plan to manage deficit recovery while minimising impact on tenants. A decision on landlord controlled heating charges is required before 1 April for the financial year to which it is to be implemented and more details on the proposed increase are within the Equality and Safety Impact Assessment (EISA).
	Savings Work
42.	Further star chamber sessions will continue ahead of the budget setting meeting in February 2024 to identify further proposals to assist in meeting the budget shortfall and producing a financially sustainable council. Further proposals need to be brought forward for Children & Learning, Corporate Services and Wellbeing & Housing in particular for these directorates to be able to work within the cash limited budgets allocated.

	Transformation and Improvement Plans
43.	Activity is underway to develop transformation and improvement plans across the council. The Executive Management Team are discussing the priority outcomes that will be delivered through the Corporate Plan to help shape and size the organisation, clarifying where our areas of focus and investment should be, and what the rest of the organisation needs to look like to support it. This will lead to a revised organisational transformation programme to get us from current state to new state in the defined timescales. A review of all existing initiatives will seek to validate work to date, identify any high level gaps and opportunities, propose a revised programme structure and view of resource requirements, key priorities and realistic implementation plan. Alongside this we are working to ensure that whatever the future shape of the transformation programme, we have rigorous oversight of all activity to ensure it is appropriately aligned and resources are available to support priority areas as needed.

An initial estimate of the costs of transformation is provided in the table below, based on existing plans and recruited staffing, though work continues to refine these estimates. Work on quantifying the financial benefits of transformation is still underway. Transformation activity will only progress subject to demonstrable cash benefits being secured.

Table 6: Transformation: Potential costs

	2023/24 £M	2024/25 £M	2025/26 £M	Total £M
Total estimated committed expenditure	2.83	4.95	2.67	10.45
Other potential projects and contingency	0.22	2.44	1.93	4.59
Total potential cost of Transformation	**3.06**	**7.39**	**4.59**	**15.04**
Less: Funding identified	(2.12)	(2.38)	(1.37)	(5.87)
Total funding still required	**0.94**	**5.01**	**3.22**	**9.17**

A reserve for transformation was set up under the previous MTFS update to Cabinet, as well as an Organisational Redesign reserve from a total of £4.47M one off funding received in 2023/24, primarily from a VAT refund following a national court case which meant a rebate was received by numerous councils. This has not yet been assumed as funding in the above table, as potential costs of service redesign have not been estimated or included as yet.

The Flexible use of Capital receipts policy the Council adopted may provide a means to generate funding to assist the transformation programme and cover funding gaps.

	Capital Programme
44.	Due to the current financial environment, there is an ongoing need to review the programme, against the backdrop of rising inflation which is significantly increasing construction costs and rising interest rates which has seen the cost of borrowing increase dramatically.
45.	Table 7 shows the changes to the individual directorate programmes since the last reported position. The updated programme for the General Fund (GF) is £234.62M and £255.70M for the HRA. There has been no change in the HRA programme and an overall decrease of £3.04M for the GF. Net

addition of £0.59M has been added to the programme by delegated decisions and £3.63M net reduction requires approval, as detailed in paragraphs 47 to 56 and summarised in Appendix 6.

46. Table 7 – Changes to Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
Children & Learning	60.72	58.56	2.16
Corporate Services	4.15	4.15	0.00
Place	158.46	163.89	(5.42)
Strategy & Performance and CEO	2.69	2.69	0.00
Wellbeing & Housing	8.60	8.37	0.23
Total GF Capital Programme	**234.62**	**237.66**	**(3.04)**
Housing Revenue Account	255.70	255.70	0.00
Total Capital Programme	**490.32**	**493.36**	**(3.04)**

NB. there may be small arithmetic variations in the table as figures have been rounded

47. Approval is sought for the addition and spend of £0.12M to the Children & Learning programme, in 2023/24 and 2024/25 to support the Family Hubs Transformation project. The council has been awarded additional grant funding to support the expansion of the centres previously known as Surestart centres.

48. Approval is sought for the net addition and spend of £0.19M to the Children & Learning programme. Following several urgent requests for Health and Safety works across several schools, a review has been undertaken to re-prioritise the programme, to enable these works to proceed immediately. The additional costs will be funded by Government grant. The projects affected are listed in appendix 6.

49. Approval is sought for the addition and spend of £1.84M to the Children & Learning programme, in 2024/25 and 2025/26 to fund the provision of a new children's residential home within the City. These additional funds will support the existing project to provide additional places and reduce expensive out of City placements. This will be funded by council resources.

50. Approval is sought for the virements within the Transforming Cities Fund project in the Place programme, to realign budgets as there is now a better understanding of costs as the schemes progress. There is a movement of £0.71M within the project, so no overall impact on the total budget. Projects affected are detailed in appendix 6.

51. Approval is sought for a £1.98M virement within the Place programme, to reduce the budgets for the Heritage Asset Repair Programme (HARP) and increase the Art Gallery Roof budget. Due to increasing construction costs the Art Galley project requires an additional £1.98M to ensure that essential works are undertaken to address the failing asphalt roof, air handling and heating plant, fire and security shutters, historic sky lights and windows, heating and electrical interventions. They have reached the end of their economic life with an ever-increasing risk of failure if these urgent condition items remain unaddressed. There is also a risk that the council would lose £2.2M grant funding. In order to reduce the revenue burden of this additional cost it is proposed that only works identified as high risk as part of HARP Phase 2 and 3 are continued at this time. Phase 1 is due to complete in December 2023 and the plan is to investigate alternative funding options to enable the low risk works to be undertaken in the future.

52. Approval is sought for the addition and spend of £0.78M to the Place programme in 2023/24, for the Active Travel Fund. The award of additional grant funding from DFT is to support for works at Honeysuckle Road and to provide safer routes to school and school streets.

53.	Approval is sought for the reduction of £4.92M to the Place programme. As detailed in the MTFS update report in October 2023 a number of projects have been identified to remove from the capital programme, as detailed below.

Table 8: Items Removed from Capital Programme

Project	£M	Description
Crematorium Refurbishment	0.49	Remove as business case needs to be reassessed
QE2 Mile - Bargate Square	1.23	Remove project following delays to other developments in the area
District Centre Improvements	2.00	Remove £0.50M to fund District Centre Master Planning Remove £1.50M which is not committed to any project, future budgets will be based on future business cases. (Not part of Oct MTFS report)
Green City Fund	1.20	Remove - Currently no projects in progress. New business cases will come forward as and when developed.
	4.92	

54.	Approval is sought for the reduction of £2.00M to the Place programme in 2024/25. This reduction will be across the Carriageways programme, and will provide a reduction in borrowing costs.
55.	Approval is sought for the addition and spend of £0.45M to the Wellbeing & Housing programme, in 2023/24 to provide additional funding for the Warm Homes project which supports residents (households) with advice and guidance on home heating and energy efficiency. This will be funded by S106 contributions and grant.
56.	Approval is sought for the reduction of £0.22M to the Wellbeing & Housing programme. As detailed in the MTFS update report in October 2023, the 1000 Parking Space project is coming to an end and the scope has decreased. The is the remaining budget which is no longer required.
	SLIPPAGE AND REPHASING
57.	Slippage occurs where works are not expected to take place according to the provisions agreed in the capital programme. Re-phasing of capital expenditure is due to works being carried out sooner than anticipated, budget and funding is brought forward from future years to match the expenditure. The programme is continually reviewed to ensure that all projects are accurately profiled, and budgets are suitably aligned to anticipated works and spend. As part of the MTFS update in July 2023 it was recommended that a new Strategic Capital Board be set up to review the programme. As a result of ongoing reviews there is £7.25M of General Fund anticipated work in 2023/24 where work has slipped into later years. There has also been extensive re-prioritisation of the HRA programme resulting in £11.95M slipping into future years. Details of schemes with major slippage and where any rephasing has been applied are provided in appendix 7.
58.	Table 9 below summarises resulting net slippage and rephasing by individual capital programmes. There is zero net effect to the budgets over the 5-year capital programme. Approval is sought for the slippage of £19.20M from 2023/24 into later years, £7.25M relating to GF and £11.95M HRA.

59. Table 9 – Net Slippage By Directorate

	Movement in 2023/24 £M	**Appendix 3 Ref**
Children & Learning	(1.98)	1-5
Corporate Services	0.00	-
Place	(3.48)	6-9
Strategy & Performance and CEO	0.00	-
Wellbeing & Housing	(1.79)	10
Total General Fund	**(7.25)**	
Housing Revenue Account	(11.95)	11-18
Total Capital Programme	**(19.20)**	

NB. there may be small arithmetic variations in the table as figures have been rounded

Flexible Capital Receipts

60. Capital receipts can only be used for specific purposes, and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure, and the use of capital receipts to support revenue expenditure is not allowed by the regulations.

The Secretary of State is empowered to issue Directions allowing revenue expenditure incurred by local authorities to be treated as capital expenditure and therefore funded by capital receipts.

61. In the Spending Review 2015, the Chancellor of the Exchequer announced the Government would allow local authorities to spend up to 100% of their capital receipts on the revenue costs of transformation projects, to support local authorities to deliver more efficient and sustainable services.

62. The Secretary of State for Communities and Local Government issued a Direction in March 2016, giving local authorities greater freedoms to use capital receipts to finance expenditure, up until 2018/19, extended until 2021/22. Allowing local authorities to treat qualifying expenditure on transformation projects as capital expenditure and to fund it from capital receipts received after April 2016. Qualifying expenditure was defined as:

"Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners."

63. Then, in the 2022/23 Provisional Local Government Finance Settlement it was announced "a 3-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery".

On 4 April 2022, the Department of Levelling Up, Housing, and Communities confirmed this extension and published Guidance and a Direction.

64. To take advantage of this freedom, the council must act in accordance with the Statutory Guidance issued by the Secretary of State. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy, with future Strategies included within future Annual Budget documents.

65.	In February 2023 the council approved the Flexible Use of Capital Receipts Strategy for the period 2022/23 to 2024/25, detailing £3M of planned transformation, which was the value of expected receipts at the time.
66.	Since February work has progressed to scope and cost a significant transformation programme to support delivery of the changes required across the council, as summarised in Table 6.
	Reserves and Balances
67.	Appendix 2 sets out the balances on General Fund earmarked revenue reserves (excluding schools' balances) since 2018/19. The trend position is distorted by large sums for COVID-19 grants carried forward via reserves in 2019/20 to 2021/22 and by the change in accounting treatment of deficits on the Dedicated Schools Grant (DSG), which are now required to be held in a separate unusable reserve. Nevertheless, the appendix shows a trend of reducing reserves and a significant reduction in the level of reserves since 2020/21.
68.	At the start of 2023/24 earmarked revenue reserves (excluding schools' balances) were £49.59M and the General Fund balance was £10.07M. The forecast balance on earmarked revenue reserves at the end of 2023/24 is £26.54M, after taking into account the in-year contributions to the Organisational Redesign Reserve, Transformation & Improvement Reserve and Investment Risk Reserve that were approved by Cabinet in October 2023. However, the forecast does not include any use to meet the in-year deficit.
69.	If the in-year deficit is not reduced from the £14.6M noted in paragraph 24 above (and including transformation costs), all of the £9.42M forecast balance on the Medium Term Financial Risk (MTFR) reserve would be required to meet it and £5.2M from elsewhere. If this situation arose any remaining balance of the £4.47M held relating to the Organisational Redesign and Transformation & Improvement reserves would be the first call. CIPFA advise a minimum General Fund balance of 5% of net revenue budget (£11M), whereas there is £10.06M currently held and hence it would be hard to justify using this to address the overspend.
70.	**Budget Consultation**
71.	The draft savings proposals that have been put forward have been subject to consultation with the Executive Management Board (EMB) and relevant Cabinet Members.
72.	The Executive will undertake a public engagement exercise on the proposals set out in paragraphs 32,33, 40 and 41 above, following the consideration of this report. The Leader and the Cabinet are keen to receive feedback on those proposals and on the potential impact they may have to help finalise the Executive's budget to be recommended to Full Council in February 2024
73.	The aim of this public engagement exercise is to: a) Make residents aware of the significant financial pressures the council is facing; b) Ensure residents are aware of savings that are being proposed and what this will mean for them; c) Enable residents, businesses and stakeholders to comment and raise any impacts the proposals may have; d) Ensure that resident feedback is taken into account when final decisions are made; e) Provide a summary of feedback received and how these have influenced the final decision.
74.	The engagement exercise will run from 30 November 2023 to 25 January 2024. The exercise will be based around an online questionnaire and paper copies will also be made available where required.
75.	**Equality and Safety Impact Assessments**
76.	The Public Sector Equality Duty is a duty on public bodies which came into force on 5 April 2011 and requires the council to show that it has 'had regard' to the impact of its decisions on its equality duties

	and the need to advance equality of opportunity between people who have protected characteristics and those who do not.
77.	While the Public Sector Equality Duty does not impose a legal requirement to conduct an Equality Impact Assessment, it does require public bodies to show how they considered the Equality Duty and that they have been consciously thinking about the aims of the Equality Duty as part of the process of decision making. To comply with these requirements as well as other relevant impacts including Community Safety (Section 17 of the Crime and Disorder Act 1998), poverty and health and wellbeing, the council has used its existing Impact Assessment framework so that it can ensure the use of a consistent, council wide mechanism to evidence how decision making took into account equality and safety considerations.
78.	Draft individual Equality and Safety Impact Assessments (ESIAs) have been completed by the council's Executive Management Board for those proposals contained in the appendices that have been identified as requiring such an assessment, as they could have an impact on a particular group or individuals. The draft individual ESIAs are available in Members' Rooms and will be published alongside the budget consultation.
79.	The individual ESIAs have been analysed to consider the cumulative impacts the draft savings proposals may have on particular groups and the mitigating actions that could be considered. In order to give the right perspective to the draft savings proposals, the Cumulative Impact Assessment has to be considered in light of the available information on the City's profile, service user and non-user information. The Cumulative Impact Assessment is available in Members' Rooms and will be published alongside the budget proposals to inform the public engagement exercise.
	Financial Position and Way Forward
80.	The position presented in this report is not a balanced position whilst work continues to get to a balanced position, it is important that consideration is given to the potential consequences of this position.
	Exceptional Financial Support
81.	The shortfall for 2023/24 is forecast at £14.6M and for 2024/25 at £38.40M (including possible transformation costs). Cabinet will be aware of the duty to ensure the in year financial position balances and to agree a balanced budget annually. This proposed budget must be viewed as robust by the council's S151 officer. The council faces an unprecedented financial challenge in seeking to deliver a balanced budget, against the backdrop of much reduced revenue reserves and major on-going financial pressures, in particular around the provision of adults and social care as well as the on-going impact of high inflation and interest rates.
82.	Since 2020, the government has agreed to provide a small number of local authorities with support via the Exceptional Financial Support framework, following requests from these councils for assistance to manage financial pressures that they considered unmanageable and was likely to mean the requirement to agree a balanced budget could not be achieved. The support is provided on an exceptional basis, and often requires that each local authority is subject to an external assurance review on their financial position.
83.	The exceptional support is in the form of a 'capitalisation directive'. It is important to note that this is not additional funding or any form of 'bailout', but it does permit the council to use capital resources to fund revenue expenditure, which is not allowed under normal accounting rules for local government. It offers only a 'window' to take some pressure off the General Fund revenue budget by using capital as a funding source thereby providing a time-limited opportunity to review spending plans and to re-balance revenue budgets taking a longer-term view.

84. Any use of exceptional support has to be agreed by Government, and there are no guarantees their agreement will be forthcoming. But if granted, it comes at the cost of generating capital receipts to create the necessary funding, or at a cost of creating new loan debt, which also has to be financed, adding to financial pressure. If sufficient asset sales cannot be generated within the necessary timescales to meet requirements, future years' revenue budgets may need to be increased to reflect the extra borrowing costs, although the aim would be to eventually generate sufficient asset sales to repay borrowing.

85. As an illustration only, the table below shows the estimated potential costs the authority may incur, if the budget shortfall identified in table 4 (for 2024/25 only) above were to be funded from this source. There is an assumed 20 years period of repayment as well as an additional premium assumed of 1% on borrowing costs, and that any borrowing would be undertaken late in the year, meaning most financing costs would fall into 2025/26 (for simplicity all financing costs are shown in the following year).

Table 10: Possible costs arising to cover deficit

	2024/25 £M	**2025/26 £M**
Updated Forecast Budget Shortfall (per table 3)	33.40	39.58
Possible Transformation costs (per table 3 and table 6)	5.01	3.22
Estimated costs if borrowing allowed to fund the shortfall		3.48
REVISED ESTIMATE	**38.41**	**46.28**

86. In the long term, the disposal of assets in itself is likely to create additional pressures on the revenue budget as some sales are likely to relate to assets that generate significant rental income to the council. Hence, if granted the use of 'Exceptional Financial Support' is not a panacea in itself. It buys time to find new solutions to balance the revenue budget, it does not avoid the reductions necessary and it comes at the price of disposing of assets many of which are income generating.

87. As reported to the Council meeting in July, the authority has already been in informal contact with the Department for Levelling Up, Housing and Communities on this option.

Section 114 notice

88. Due to the exceptionally challenging financial position now faced, and the difficulties faced with reducing the forecast in-year overspend whilst also agreeing a draft balanced budget for 2024/25, Cabinet need to be aware of the position should a notice under Section 114 Local Government Finance Act 1988 be required to be issued.

89. The Chief Finance Officer of a local authority can issue a formal report (called a s114 notice) if they consider that a council is unable to set or maintain a balanced budget. A s114 notice simply but clearly and formally indicates that a council's forecast funding and other available resources (such as reserves) is insufficient to meet its forecasted expenditure for that year. Although media reports may describe the issue of s114 notice as indicating bankruptcy, there is no procedure for a UK local authority to become bankrupt.

90. A s114 notice puts stringent spending controls in place and prohibits all new expenditure by a council, other than that required to provide statutory services, payments required by law or ordered by the courts and contractual obligations. New expenditure may only be authorised by the Chief Financial Officer where it will prevent the situation that led to the s114 notice from getting worse.

91.	Full Council would be required to consider a s114 notice within 21 days of one being issued. Council would consider if it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it.
92.	Following the issuing of a s114 notice, the Chief /Financial Officer, the Chief Executive and the Monitoring Officer would be tasked to develop a plan for returning the budget to a balanced position. It would inevitably mean hard choices on what service to prioritise, and what would need to be curtailed or stopped completely. A smaller council and cessation of discretionary services would be the inevitable initial consequence.
93.	Pending consideration of the report by Full Council, there is a prohibition period which runs from the date the report is made to the date of the full Council meeting. During this period, the Council must not enter into any new agreement which may involve the incurring of expenditure (at any time) by the authority unless the S151 officer authorises it to do so and/or it is required to do so by law.
94.	A recent survey found by the Special Interest Group of Metropolitan Authorities (SIGOMA) found that at least 10% of upper tier urban councils outside London ie Council's with similar responsibilities at Southampton, were considering a section 114 notice this year, and almost 20% thought one could be possible in the next year.
	<u>Conclusion and Next Steps</u>
95.	At the time of writing, we are awaiting the Government's Autumn Statement from the Chancellor on 22 November. This will be carefully reviewed for any funding announcement impacting on local councils.
96.	The Provisional Local Government Finance Settlement (PLGFS), which will provide funding allocations from Government for 2024/25 is also yet to be announced. This is again expected to be very late – with an announcement expected immediately prior to Christmas. Currently, the draft budget used to forecast the budget shortfalls identified for 2024/25 are based on assumptions and best information. This is expected to be proceeded by a local government finance policy statement (as occurred last year). However, as it is expected only a matter of days before the provisional settlement, it will most likely have limited value and it will not identify specific funding allocations to each council, only broad policy intentions.
97.	Neither the Autumn Statement, or the provisional local government finance settlement for 2024/25, is expected to fundamentally alter the picture identified above of considerable future budget shortfalls. Work therefore continues at pace to identify ways to bridge the gap by further efficiency measures, income generation and above all by service transformation. It is likely that there will be further engagement with Government over the potential to secure Exceptional Financial Support during December, although it is likely Government may await the December provisional settlement before expecting final approaches to be made by councils and to then assess with the Treasury what support may be contemplated.
RESOURCE IMPLICATIONS	
	<u>Capital/Revenue</u>
98.	The revenue and capital implications are contained in the report
	<u>HR Implications</u>
99.	The proposed savings contained within this report do have implications on the number of full time equivalent posts within the council. Table 11 below details the overall impact.

100. Table 11 – The estimated impact of full-time equivalent staff for tranche 3 measures

Directorate	2023/24 Total FTE	2024/25 Total FTE	2025/26 Total FTE	2026/27 Total FTE
Place	4.0	6.1	6.1	6.1
Wellbeing & Housing	1.6	43.4	43.4	43.4
Total	**5.6**	**49.5**	**49.5**	**49.5**
Impact from previous MTFS updates	98.4	99.4	99.6	103.4
Total Impact of proposals	**104.0**	**148.9**	**149.1**	**152.9**

101. There are other proposals which will impact staff numbers (redesign of Childrens and Learning / Supplier Management target operating model), but until detailed consultation takes place, it is not possible to say how many of these will be vacant posts, but there is an initial estimated impact of 25 FTE in total.

Property/Other

102. The implications for property are outlined in the report.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

103. Budget reports are consistent with the Section 151 Officer's role to align budget with the aims of the Council and also the duty to ensure good financial administration.

Other Legal Implications:

104. The proposals within this report have been put forward having regard to the council's duties under the Equalities Act 2010 and the Human Rights Act 1998, together with other pervasive legislation. Where required, individual projects, proposals and programmes will be subject to completion of EISAs as part of the governance and decision making foundations.

RISK MANAGEMENT IMPLICATIONS

105. The financial forecast included in this report are based upon a variety of assumptions, including funding, future spending projections and savings delivery.

106. Financial projections have been based on the best known information on the likely cost and demand for services for 2023/24 and beyond. External factors add further to uncertainty with the cost of living crisis, energy costs, labour shortages and increases to interest rates. Nor is there any certainty on funding from government, with the 2024/25 local government finance settlement not expected to be announced until late December 2023 and including technical changes to the business rates retention scheme. These all present significant levels of uncertainty and potential financial risk and instability.

107. Delivery of a high level of savings will be critical to the authority's future financial stability. The need to implement and achieve a high level of savings to balance the budget is in itself a major risk – as any significant non delivery can easily lead to major overspending and the council has inadequate reserves with which to cover this risk.

108. Savings are already monitored as part of the in-year work on comparing budget to forecasts.

109. The spending and funding assumptions outlined in this report will be subject to continual review over the coming months to ensure maximum opportunity is given to protect the council's short term and medium term financial stability, by flagging any changes to the financial situation faced.

110.	On school deficits, the Schools Finance team are working with schools and providing advice on areas where the schools need to make changes to return to surplus. The current 3-year deficit recovery timetable for schools in deficit to get back to a balanced budget may be extended to 5 years if necessary, for schools that have experienced significant COVID-19 pressures.
111.	As at 31 October 2023 there were 15 schools forecasting a deficit balance totalling £3.7M which compares to deficits totalling £4.5M at the end of the last financial year (2022/23). There are 27 schools forecasting a surplus balance of £8.8M which compares to surpluses totalling £9.5M at the end of the last financial year. The net position is therefore a £4.1M surplus. At the time of writing there are two schools in deficit working with the Executive Director for Children and Learning, and the finance team to finalise their deficit recovery plans (DRP). These are: • Compass Alternative Provision • Townhill Junior Compass Alternative Provision have received advice during September from a School Resource Management Adviser, provided free of charge by the Department for Education. The results are expected to be incorporated into a Deficit Recovery Plan. Townhill Junior have a produced a Deficit Recovery Plan which needs to be approved by their board of governors as soon as possible, the Council will expect a decision prior to Christmas holidays.
112.	When a school is required to become an academy by the Department for Education, normally following an inadequate Ofsted inspection grade, then the deficit on conversion becomes a charge to SCC's General Fund. There are currently two schools with an Ofsted grade "Requires Improvement"; with a combined deficit totalling £0.8M.
113.	The Council is due to receive one-off additional funding of £0.5M to provide additional support to schools. Officers will present a plan for use of this funding for approval.
114.	The forecast outturn for the Dedicated Schools Grant (DSG) as at the end of October 2023 is a £9.4M cumulative deficit, an improvement of £0.7M from the £10.1M cumulative deficit as at 31 March 2023. The deficit is being driven primarily by the significant year on year increases in Education Health Care Plans (EHCPs) and with higher levels of needs in these plans. Whilst this reflects the national picture, the impact is reflected in our local financial resilience. The increase in High Needs funding in 2023/24 helps mitigate some of the pressure being experienced and further work is being undertaken as part of the DfE programme Delivering Better Value in SEND. The primary strategy for managing the increase in High Needs is threefold: 1. Reduce the number of children requiring an Education and Health Care Plan through targeted early intervention support, through enhanced training and support to schools and parents. 2. Reduce the number of children requiring a place at a special school, by improving the consistency of offer and inclusive practice at mainstream schools and by developing SEND units and resourced provisions within mainstream schools. Maintain a reduction in the reliance of placements in high cost out of city special independent school places, by enhancing the offer and facilities of local mainstream schools, and on the development of highly specialist units and resourced provisions.
115.	The Schools Budget is ring-fenced and presently the DSG deficit is subject to a statutory override which means that the deficit will not impact on the wider council services or council tax payers. The statutory override is in place until March 2026, having recently been extended by 3 years.
116.	What this means, however, is that whatever deficit remains, as of April 2026, will impact directly on the council and will need to be covered by General Fund resources. It is therefore important the council ensures robust plans are in place to address the deficit within the 3 year window allowed by

	Government. The council will need to engage with other authorities and Government to control this deficit. This is likely to be a difficult challenge, which faces many councils nationally.
117.	To assist with promoting good financial management and best practice, Accountability Statements for budget holders are planned to be introduced. A draft example of one is attached at Appendix 1. These are intended to be introduced with the necessary training, advice and support to budget holders.
118.	Details of further risks to the council's financial position are given in Appendix 8.
POLICY FRAMEWORK IMPLICATIONS	
119.	The proposals contained in the report are in accordance with the council's Policy Framework Plan.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All

SUPPORTING DOCUMENTATION

Appendices

1.	Draft Accountability Statement
2.	Earmarked Revenue Reserves and Balances
3.	Budgetary Pressures
4.	Cash Limited Budgets
5.	Savings
6.	GF & HRA Capital Programme Changes
7.	GF & HRA Slippage & Rephasing (CONFIDENTIAL)
8.	Further risks to the council's financial position (CONFIDENTIAL)

Documents In Members' Rooms

1.	Savings - Summary Sheets (item by item)
2.	Cumulative Impact Assessment
3.	Individual Equality and Safety Impact Assessments
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact	No

Assessment (PIA) to be carried out?	

Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	The Revenue Budget 2023/24, Medium Term Financial Strategy and Capital Programme (Approved by council in February 2023)	