

## Slough Borough Council

<b>Report To:</b>	Corporate Improvement Scrutiny Committee
<b>Date:</b>	30 January 2024
<b>Subject:</b>	General Fund Revenue Budget Proposals 2024/25 and Medium-Term Financial Strategy 2024/25 to 2027/28
<b>Chief Officer:</b>	Adele Taylor – Executive Director, Finance & Commercial (Section 151 Officer)
<b>Contact Officer:</b>	Neil Haddock – Interim Strategic Finance Manager, Financial Planning & Reporting
<b>Ward(s):</b>	All
<b>Exempt:</b>	NO
<b>Appendices:</b>	Appendix 1 – Detailed Schedule of 2024/25 Savings and Pressures Appendix 2 – Detailed Schedule of 2024/25 Fees and Charges Proposals Appendix 3 – Fees and Charges Framework

### 1. Summary and Recommendations

1.1 Cabinet agreed the Council's draft budget proposals for 2024/25 at its meeting on 18 December 2023 as the basis for consultation with the Corporate Improvement Scrutiny Committee and other interested parties. This report sets out those proposals, the draft Medium Term Financial Strategy for 2024/25 to 2027/28, the proposed Fees and Charges for 2024/25 and the Council Tax base for 2024/25.

#### Recommendations:

The Scrutiny Committee is recommended to

- i. comment on the draft budget proposals for 2024/25,
- ii. comment on the draft Medium Term Financial Strategy for 2024/25 to 2027/28:
- iii. comment on the proposed Fees and Charges for 2024/25
- iv. note the Council Tax base for 2024/25

**Reason: Cabinet will consider all representations made at its meeting on 26<sup>th</sup> February 2024, before recommending the budget to Council on 7<sup>th</sup> March 2024.**

## Commissioner Review

Commissioners are content with this report. The identification and successful delivery of savings, efficiencies and income generation is essential to the transition to financial sustainability and is in accordance with the directions as laid out by the Secretary of State.

CIPFA – Financial Scrutiny Practice Guidance, states “effective financial scrutiny is one of the few ways that councils can assure themselves that their budget is robust and sustainable, and that it intelligently takes into account the needs of residents. It can also provide a mechanism to ensure buy-in – or at least understanding – of the tough choices that councils are now making.”

The committee should objectively consider the most recent iteration of the draft Budget and Medium Term Financial Strategy, assess the strengths and weaknesses of the growth and savings proposals, seek any explanation or information needed to better understand the proposals, and the impact that savings and growth will have on local people.

Between now and budget setting, should committee members or party groups want to take proposals off the table for policy reasons or propose the addition of proposals to the schedule to bridge the residual budget gap, in the context of ensuring a balanced budget can be achieved, it is critical that they seek to identify alternative options in a timely manner to enable the proposal to be appropriately evaluated and impact assessed, to secure long term financial sustainability.

## Options considered

**Option 1** – To consult with the Corporate Improvement Scrutiny Committee on the draft budget proposals, Medium Term Financial Strategy and proposed Fees and Charges as part of the overall public consultation, including with the business community. This represents best practice and is recommended.

**Option 2** – to not consult with the Corporate Improvement Scrutiny. This is not recommended.

## 2 Report

- 2.1 The General Fund Revenue Budget Proposals 2024/25 and Medium Term Financial Strategy (MTFS) 2024/25 to 2027/28 as presented to Cabinet on the 18<sup>th</sup> December 2023 are included as Background Papers.
- 2.2 The Provisional Local Government Finance Settlement was released by the Department for Levelling Up, Housing and Communities (DLUHC) on the same day as the Cabinet meeting above. The finance settlement is an annual process to distribute core resources to Councils and consists of grant, council tax and local retained business rates. At this stage the figures are provisional and are for consultation, however they are not likely to change significantly before becoming confirmed as final figures.
- 2.3 The MTFS as presented contained assumptions on the finance settlement, and the provisional figures are different to those assumptions, as detailed in Table 1 below. In summary, the outlook is £824k worse than the figures presented to Cabinet in the December report, and this is predominantly due to the Services Grant being reduced by £829k.

**Table 1: Provisional v MTFS Assumptions**

	2024/25 Provisional	Assumptions in MTFS	Difference
Revenue Support Grant	-7,785,918	-7,785,914	-4
New Home Bonus	-501,393	-506,135	4,742
Social Care Grant	-9,069,653	-9,059,291	-10,362
Public Health Grant	-8,269,122	-8,269,122	0
Better Care Fund	-3,989,414	-3,989,414	0
Housing Benefit Admin Support Grant	-456,003	-456,003	0
Services Grant	-192,709	-1,021,967	829,258
Adult Social Care Market Sustainability & Improvement Fund	-1,814,824	-1,814,824	0
Adult Social Care Discharge Fund	-932,183	-932,218	35
Adult Social Care Workforce Fund	-440,283	-440,283	0
	-33,451,502	-34,275,171	823,673

- 2.4 While we recognise the change in position due to the grant settlement, there are several other areas that also remain in draft that will help to close this potential gap. These include refining some of the growth and savings numbers included in the appendices, reviewing surplus and deficits on the collection fund and other funding streams yet to be announced.
- 2.5 There have been a small number of changes to the draft proposals since the December 18<sup>th</sup> Cabinet report. One pressure, of £168k, has been removed. This was for the cost of recruiting 3 data analyst posts, however the cost of this will be covered from the Transformation Budget for one year, as it is considered this proposal has invest to save potential. The total pressures therefore has reduced £13.654 to £13.486, with a further £600k built into the proposals in respect of making permanent posts temporarily funded from the Transformation Budget.
- 2.6 There is one additional saving built into the savings proposals, which is in respect of engaging the services of a company to improve the identification of missing Business Rates Rateable Values with expected net growth to the Council of £1m. This brings the total savings up to £1m.
- 2.7 There are other changes to the original plans in respect of the use of Budget Smoothing Reserve of £3.523m, which has been ruled out and a change to the referendum limits for Slough Council Tax increases, which could potentially raise £2.7m. The gap as it currently stands with all the changes referred to above is approximately £2m and further work is ongoing to identify means to close that gap.
- 2.8 The proposed Fees and Charges schedule for 2024/25 is also presented here, and is included as Appendix 2. This includes those Fees and Charges that are matters for Licensing Committee and those Fees and Charges that are for Cabinet to approve. Fees and Charges have been changed in line with statutory requirements where relevant, or the Council's Fees and Charges framework for those fees that are discretionary.

### **3. Implications of the Recommendation**

#### *3.1 Financial implications*

3.1.1 The financial implications are contained within the body of the report and the Appendices.

#### *3.2 Legal implications*

3.2.1 Setting the budget should be seen as a whole Council responsibility, with different member bodies having a distinct role. Under the Council's Constitution, the budget and policy framework rules confirm that the Overview and Scrutiny Committee shall canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration and having particular regard not to duplicate any consultation carried out by the Cabinet and the Committee shall report to the Cabinet on the outcome of its deliberations.

3.2.2 The Centre for Governance and Scrutiny has published a Financial Scrutiny Practice Guide. This confirms the role of scrutiny as the primary mechanism over the course of a year for councillors not in a specific finance facing role to inquire into and influence budgetary matters. There are four areas where scrutiny can add most value: (a) reviewing how resources are allocated and following through from budget development and planning to the delivery of a budget, linking to how scrutiny selects and prioritises its work, (b) reviewing the integration between financial and service planning, testing out and making explicit whether the council is directing its resources effectively to meet its priorities and whether it is demonstrably achieving value for money, equity and social care and (d) providing challenge to the executive's management of the Council's finances and a different perspective on challenges.

3.2.3 The guidance confirms that in January the draft budget will normally be submitted to scrutiny and that the opportunity to influence and change the budget at this stage may be limited. It is recommended that scrutiny focuses its public meeting and debate on summarising its involvement in the budget development process to date, highlighting areas that remain contentious and any scrutiny recommendations that have already been made and highlighting and discussing the impact of particular elements of the budget on local people.

#### *3.3 Risk management implications*

3.3.1 With such large reductions in budgets, there is clearly a risk that the budget for 2024/25 will prove difficult to deliver. An analysis of those risks, and mitigating actions to address those risks, is provided in the Risk Management section of the December Cabinet report.

#### *3.4 Environmental implications*

3.4.1 There are no specific environmental implications arising from this report.

#### *3.5 Equality implications*

3.5.1 The draft EIA describes the most significant equality pressures confronting each main service area, informed by an equality analysis. It highlights the effect of policy

and governance changes; an overview of positive and neutral impacts; and a service impact overview. These outcomes are based upon spending decisions taken during the last three years and changes resulting from the 2024/25 budget. The analysis also highlights a number of cumulative impacts that may arise resulting from the 2024/25 budget.

- 3.5.2 It is important to note that the budget is the financial expression of the strategic plan and our operational intent, and where known, the equality impact of change is disclosed. There are also a number of individual decisions that will arise over the period of the 2024/25 budget, and these will continue to be the subject of specific and more detailed equality impact assessments in line with the Council's Equality Impact Assessment (EIA) guidance. Political decisions will only be taken once effective and meaningful engagement has taken place on a need-by-need basis.
- 3.5.3 A fuller analysis of the Equality Impact Assessment of specific proposals, and the cumulative impact of the proposals, is laid out in Appendix D of the December Cabinet report.

#### **4. Background Papers**

General Fund Revenue Budget 2024-25, and Medium Term Financial Strategy 24/25 to 27/28, (presented to Cabinet December 18<sup>th</sup> 2023: See link below)

[AGENDA ITEM \(slough.gov.uk\)](https://www.slough.gov.uk/agenda-item)