

**Corporate Overview and Scrutiny
Management Board**

1 September 2023



**Medium Term Financial Plan (14)
2024/25 to 2027/28 and Review of the
Local Council Tax Reduction Scheme
and Council Tax Discretionary
Discounts and Premiums Policy**

Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide members of the Corporate Overview and Scrutiny Management Board (COSMB) with an update on the proposed approach to scrutiny of the Budget 2024/25 and the Medium-Term Financial Plan (MTFP) (14) 2024/25 to 2027/28.
- 2 COSMB prioritise scrutiny of the MTFP and budget as part of its work programme.

Executive summary

- 3 The report to Cabinet sets out the plan for the MTFP (14) covering the four year period from 2024/25 to 2027/28.
- 4 It contains details of the process of scrutiny of the MTFP and budget.

Recommendation(s)

- 5 Members are asked to
 - (a) Consider and comment upon the July Cabinet report on the MTFP (14) 2024/25 to 2027/28.
 - (b) Note the timetable for scrutiny discussions.

Background

- 6 The Council is continuing to operate in a period of significant financial uncertainty, particularly from 2025/26 onwards. This uncertainty is driven by continuing short term local government finance settlements, our inherent low tax raising capacity due to our low tax base alongside ongoing significant budget pressures in social care brought about by National Living Wage increases, enduring demographic pressures in Children's Social Care and the ongoing inflationary impact upon pay awards and service provision such as in waste and transport. The financial outlook for the Council will continue to be extremely challenging for the foreseeable future.
- 7 Future financial settlements for local government beyond 2024/25 and how available funding will be shared between local authorities is still unclear.
- 8 For a number of years local government has awaited the implementation of the outcome of the Fair Funding Review (FFR). Progress in this regard appears to have stalled, with no new consultations announced. It would appear highly unlikely that any changes will be implemented until at least 2025/26 with a 2026/27 implementation appearing much more likely. At the same time there was expectation of a business rate reset in 2023/24 as part of Business Rate Retention (BRR). This did not progress due to the delay in the implementation of the FFR and it would appear unlikely that a business rate reset will be implemented until the FFR is progressed. The council would expect to be a beneficiary of any business rate reset as business rate income growth in the county has been lower than the national average since the implementation of BRR in 2013/14.
- 9 Local authorities continue to be provided with one year financial settlements, which provide little financial certainty and security and given the timing of these announcements in late December, this provides little time to react for local authorities. Lack of clarity on the date of the next general election and the date for any future Comprehensive Spending Review further exacerbates the uncertainty experienced for a number of years now.
- 10 The Cabinet report includes information on:
 - (a) An update on the development of the 2024/25 budget since the council agreed its MTFP (13) strategy on 22 February 2023
 - (b) An update on the MTFP (14) 2024/25 savings forecast for the period 2024/25 to 2027/28
 - (c) A draft MTFP (14) decision making timetable

- (d) Proposed approach for consultation on the 2024/25 budget proposals and on MTFP (14)
- (e) Workforce implications
- (f) Equality considerations
- (g) Consideration of the proposed Local Council Tax Reduction Scheme (LCTRS) for 2023/24

11 COSMB has prioritised scrutiny of the MTFP and budget as part of the committee's work programme. It is proposed that scrutiny of the MTFP and budget will be according to the MTFP process as below. The Board will be notified of any variations to the overall MTFP timetable which might occur.

Date	Action
12 July 2023	MTFP (14) update and LCTRS review report to Cabinet
1 September 2023	Corporate Overview and Scrutiny Management Board consider 12 July 2023 Cabinet report
11 October 2023	MTFP (14) update report to Cabinet
October/November 2023	Corporate Overview and Scrutiny Management Board consider 11 October 2023 Cabinet report
18 October 2023	Council Tax Reduction Scheme 2024/25 considered by Full Council
15 November 2023	Taxbase report considered by Cabinet – includes outcome on consultation on potential Council Tax Discount and Premium Charges
13 December 2023	MTFP (14) update report to Cabinet – outcome of Budget Consultation and consideration of any further savings proposals
17 January 2024	MTFP report to Cabinet – analysis of provisional local government settlement

Date	Action
23 January 2024	Corporate Overview and Scrutiny Management Board consider 13 December 2023 and 17 January 2024 Cabinet reports
7 February 2024	Budget report to Cabinet
15 February 2024	Corporate Overview and Scrutiny Management Board consider 7 February 2024 Cabinet report
21 February 2024	Council Budget and MTFP report

Background papers

- None

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Appendix 1: Implications

Legal Implications

None.

Finance

The report sets out the arrangements to scrutinise MTFP (14) proposals.

Consultation

The report includes information on the consultation process.

Equality and Diversity / Public Sector Equality Duty

Equality considerations are built into the approach to developing MTFP (14) as a key element of the process.

Climate Change

The impact of final budget decisions will take into account climate change impacts

Human Rights

Any human rights issues will be considered for any detailed MTFP (14) proposals as they are developed and decisions made to take these forward.

Crime and Disorder

None.

Staffing

The savings proposals in MTFP (14) will impact upon employees.

Accommodation

None.

Risk

None.

Procurement

None.

Appendix 2: Medium Term Financial Plan (14), 2024/25 - 2027/28

Attached as a separate document.