

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E3500

Budget and Council Tax 2024/25 and Financial Outlook

Date of Meeting	8-Feb-24
The Issue	This report presents the revenue and capital budgets together with proposals for increases in Council Tax and the Adult Social Care Precept for 2024/25.
The decision	<p>(1) To recommend Council to approve:</p> <ul style="list-style-type: none"> • The General Fund net revenue budget for 2024/25 of £135.85m and the individual service cash limits for 2024/25 as outlined in Annex 1 of the report. • The savings and income plans outlined in Annex 2(i), funding requirements 2(ii), in conjunction with the Equalities Impact Assessment Report in Annex 3 of the report. • An increase in Council Tax of 2.99% in 2024/25 (an increase of £49.45 per Band D property or 95p per week). • An increase of 2% to Council Tax for the Adult Social Care Precept in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of £33.07 on a Band D property (64p per week). • The movement in reserves outlined in section 5.6 and the adequacy of Un-earmarked Reserves at £12.58m within a risk assessed range requirement of £12.3m - £13.6m. • To note the Children’s Services management plan set out in section 5.2.7 of the report. • The Efficiency Strategy attached at Annex 4 of the report. • The Capital Programme for 2024/25 of £71.91m including new and emerging capital bids outlined in Annex 5(i), planned sources of funding in 5.8.3, and notes the programme for 2025/26 to 2028/29 and that any wholly funded projects coming forward during the year will be added to the Capital Programme in line with the Budget Management Scheme. • The delegation of implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 5(i) to Annex 5(iv) to the relevant Director in consultation with the appropriate Cabinet Portfolio Holder. • The schedule of asset disposals as set out in section 5.8.2 and

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delegates the final disposal decision to the Head of Commercial and/or Corporate Estate in consultation with the S151 Officer and appropriate Cabinet Portfolio Holder.

- The Community Infrastructure Levy (CIL) allocations and amendments outlined in Annex 5(v).
 - The Capital & Investment Strategy attached at Annex 6 of the report.
 - The MRP Policy attached at Annex 7 of the report.
 - The Capital Prudential Indicators outlined in 5.8.7 of the report.
 - The Annual Pay Policy Statement at Annex 8 of the report.
 - The Community Contribution Fund extension outlined section 5.5 of the report.
 - The Council Tax Support Scheme for 2024/25 shown in the following link: <https://beta.bathnes.gov.uk/sites/default/files/2024-01/Bath%20%26%20NE%20Somerset%20S13A%20202425%20FINAL.pdf> and referred to in 5.3.5 of the report.
 - The Fees and Charges schedule for 2024/25 at Annex 11 of the report and support its publication following approval of the budget, with delegation to amend individual costs within the schedule in line with market needs, to the Director of Place Management, in consultation with the appropriate Cabinet Portfolio Holder.
 - The additional Social Care Grant of £1,520,318 announced in the final local government finance settlement is allocated to fund a £1,101,302 Adult Social Care contingency and a £419,016 Children's Services contingency for managing in year budget risk. The additional Services Grant of £14,638 is used to increase the corporate inflation contingency to £1.01m.
- (2) To agree that the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils, and Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.
- (3) To note the S151 Officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves outlined in 5.7 of the report.
- (4) To note the budget consultation responses set out in Annex 10 of the report.
- (5) To authorise the Council's S151 Officer, in consultation with the Portfolio Holder for Resources, to make any necessary changes to the

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	draft budget proposal for submission to Council.
Rationale for decision	<p>A local authority has a statutory duty to set an annual budget and Council Tax.</p> <p>The Medium-Term Financial Strategy (MTFS) was approved in November 2023 and outlined how the budget would be delivered over the medium to long-term. This considers the current economic outlook together with the ongoing inflationary pressures from the 'Cost-of-Living crisis'. The MTFS for B&NES spans two years with a further three added to show the likely longer-term picture.</p> <p>The Council needs to deliver a balanced budget over the term of the plan. A balanced budget means that Council one-off cash balances (reserves) are not being used to fund recurrent expenditure. The updated plan shows a balanced budget for 2024/25 and 2025/26 with a future year's budget gap from 2026/27 although this is expected to reduce to a balanced position once the impacts of income growth and further efficiencies are factored in to budget planning. The figures include all estimates for future pay awards, pension costs, Council Tax, business rates, Government grant, and inflation. The revenue budget contingency includes £3m for general budget risk and £1m for inflationary pressures for new unbudgeted contract risk in 2024/25.</p> <p>The budget has been developed considering how to operate with a higher cost base and lower income levels whilst delivering the Corporate Strategy to meet our key principles and commitments. After taking account of ongoing service cost pressures and new funding requirements, the starting point for the 2024/25 budget is a funding gap of £16.42m. The proposed budget meets this funding gap in two ways:</p> <ol style="list-style-type: none">1) Income generation plans of £6.51m.2) Cost reduction plans of £9.91m. <p>The ongoing impact of high inflation and high demand for Social Care has created an imbalance in how the Council funds its services, Council tax and Business rates alone do not fully fund the Council's services. To balance the budget the Council needs to grow its commercial and fees and charges income and also reduce its running costs. The Council revenue support grant has reduced from £31m in 2013/14 to £0.83m per annum in 2024/25 and as a result we have become more reliant on external income to help fund core Council services. After considering demands on services and inflationary pressure the Council revenue budget requires £24.94m in budget growth. This is funded through increases in Council tax, Business rates, income and savings plans and grant adjustments.</p>
Other options considered	The report and annexes contain the other options that can be considered in making any recommendations.

The Decision is subject to Call-In within 5 working days of publication of the decision