

Committee:	Cabinet	Date:
Title:	Medium Term Financial Strategy and 2024/25 Budget Proposals	Tuesday, 20 February 2024
Portfolio Holder:	Cllr Neil Hargreaves, Portfolio Holder for Finance and the Economy	
Report Author:	Jody Etherington, Director of Finance, Revenues and Benefits	Key decision: No

Summary

1. The Council is required to prepare detailed budget reports to enable the annual budgets for the General Fund and Council Tax, Housing Revenue Account (HRA), and the Capital Programme to be set.
2. The Section 151 Officer is required to provide members with a section 25 report giving advice and assurance on the reserves position, including the minimum safe level of contingency funds that need to be held, and the robustness of any estimates used in the calculation of the proposed budgets. The report also provides commentary on the assumptions in the Medium Term Financial Strategy and any associated plans and strategies.
3. In addition, the Council is required to prepare a number of supporting strategies on an annual basis:
 - Commercial Strategy
 - Medium Term Financial Strategy
 - Treasury Management Strategy
 - Capital Strategy

Scrutiny

4. The Scrutiny Committee reviewed all of the reports at its meeting on 13 February 2024, and the Chair of the Committee will update Cabinet with a verbal statement at the meeting on 20 February 2024.

The Commercial Strategy was presented to the Investment Board at its meeting on 15 February 2024, and the Chair of the Committee will update Cabinet with a verbal statement at the meeting on 20 February 2024.

5. Proposed changes to housing rents and service charges in the HRA were discussed by the Tenants and Leaseholders' Panel on 30 November 2023, and the Housing Board on 7 December 2023, and endorsed by both.

Recommendations

6. The recommendations to Cabinet are set out in the following table:

Report Title	Purpose of Report	Recommendations
Appendix A - Section 25 Report - Robustness of Estimates and Adequacy of Reserves	A statutory report issued by the Section 151 Officer to provide members with advice and assurance on reserves, safe levels of contingency, assumptions used for budget estimates and any significant associated risks.	<p>Cabinet is requested to:</p> <p>(i) note and have regard to the section 25 report when considering the budgets for 2024/25;</p> <p>(ii) note the risk assessment relating to the robustness of estimates as set out at paragraph 9 of the section 25 report;</p> <p>(iii) recommend to Council that the working balances for 2024/25 be set at £1.909 million for the General Fund and £654,000 for the Housing Revenue Account;</p>
Appendix B - Commercial Strategy 2024-29	Sets the Council's strategy with regards to its commercial investments.	(iv) recommend to Council the approval of the Commercial Strategy 2024-29;
Appendix C - Medium Term Financial Strategy 2024-29	Details all known factors affecting the financial position of the council over a five year period, providing a clear and concise view of future sustainability and resilience, allowing for effective medium term planning.	<p>(v) note the key risks and assumptions set out at paragraph 30 of the Medium Term Financial Strategy 2024-2029;</p> <p>(vi) recommend to Council the approval of the Medium Term Financial Strategy 2024-2029 (as amended by the Addendum to this report);</p>
Appendix D - Treasury Management Strategy 2024/25	Sets out the strategy and governance relating to the Council's cash flow management, use of banks, investments, and borrowing, taking into account guidance from our independent advisers and risk appetite.	<p>(vii) recommend to Council the approval of an increase in the sector limit for other investments from £2 million to £3 million, as detailed at paragraph 50 of the Treasury Management Strategy 2024/25;</p> <p>(viii) recommend to Council the setting of the treasury management prudential indicators as set out at paragraphs 63-71 of the Treasury Management Strategy 2024/25 (as amended by the Addendum to this report);</p> <p>(ix) recommend to Council the approval of the Treasury Management Strategy 2024/25 (as amended by the Addendum to this report);</p>
Appendix E - Capital Strategy 2024/25	An overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability	<p>(x) recommend to Council the approval of an increase in both the authorised limit and operational boundary for other long term liabilities from £5 million to £10 million, as set out in paragraphs 25-26 of the Capital Strategy 2024/25;</p> <p>(xi) recommend to Council the approval of the Minimum Revenue Provision Statement 2024/25 as set out at Annexe E1;</p> <p>(xii) recommend to Council the setting of the capital prudential indicators as summarised at Annexe E2 (as amended by the Addendum to this report);</p>

Report Title	Purpose of Report	Recommendations
<p>Appendix F - Capital Programme 2024/25 - 2028/29</p>	<p>Sets out capital expenditure and the associated financing sources over a five year period.</p>	<p>(xiii) recommend to Council the approval of the Capital Strategy 2024/25 (as amended by the Addendum to this report);</p> <p>(xiv) recommend to Council the approval of the Capital Programme 2024/25 - 2028/29, including the planned application of capital financing set out at Annexe F4;</p>
<p>Appendix G - Housing Revenue Account Budget 2024/25</p>	<p>Sets the detailed budget for the Housing Revenue Account for 2024/25, including the setting of rent and service charges.</p>	<p>(xv) recommend to Council the approval of increases in HRA rents as follows:-</p> <ul style="list-style-type: none"> - General needs, supported accommodation and temporary accommodation – a 7.7% increase in accordance with the cap set by government for social rents; - Garage rents – to be increased in line with September 2023 CPI (6.7%) <p>(xvi) recommend to Council the approval of the changes in HRA support and service charges set out at paragraphs 21-27 of the Housing Revenue Account budget report;</p> <p>(xvii) recommend to Council the approval of the proposed HRA reserve movements for 2024/25 set out at paragraphs 47-50;</p> <p>(xviii) recommend to Council the approval of the Housing Revenue Account Budget 2024/25;</p>
<p>Appendix H - General Fund Budget and Council Tax 2024/25</p>	<p>Sets the detailed budget for the General Fund for 2024/25, including the proposals for the council tax precept and fees and charges.</p>	<p>(xix) recommend to Council the approval of the Council Tax Requirement for 2024/25 of £7,055,774, equivalent to £176.74 for a band D property, representing a £5.13 increase on the 2023/24 amount;</p> <p>(xx) recommend to Council the approval of the proposed General Fund reserve movements for 2024/25 as set out at paragraphs 63-66 of the General Fund budget report (as amended by the Addendum to this report), including the use of £1.176 million from the Medium Term Financial Strategy reserve to balance the General Fund budget;</p> <p>(xxi) recommend to Council the approval of the schedule of fees and charges for 2024/25 as set out at Annexe H5 (as amended by the Addendum to this report);</p> <p>(xxii) recommend to Council the delegation of authority to the Strategic Director of Finance, Commercialisation and Corporate Services (Section 151 Officer) to set and/or amend fees and charges in relation to services which are operating in competition with commercial providers, for example trade waste;</p>

Report Title	Purpose of Report	Recommendations
Appendix I - Budget Consultation Report 2024/25	Sets out the results of the budget consultation exercise undertaken to inform the budget setting process.	xxiii) recommend to Council the approval of the General Fund budget for 2023/24 (as amended by the Addendum to this report); and (xxiv) note the contents of the Budget Consultation Report 2024/25.

Financial Implications

7. All financial implications are included in the individual reports and strategies

Impact

Communication/Consultation	Tenant and Leaseholders' Panel, Members, CMT and budget managers
Community Safety	No specific implications
Equalities	See EqHIAs at Annexe G4 and Annex H6
Health and Safety	Failure to recover the full costs of the HRA through rent and service charges may threaten the Council's ability to undertake safety critical work in the future
Human Rights/Legal Implications	The recommendations fulfil the legal requirement to set a balanced budget
Sustainability	Affordable rent levels and appropriate housing supply are an important factor in the sustainability of local communities and in particular rural communities
Ward-specific impacts	No specific implications
Workforce/Workplace	As detailed in the reports

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
As set out in the individual appendices. The most significant risks are summarised at paragraph 9 of the section 25 report (Appendix A) and paragraph 30 of the Medium Term Financial Strategy (Appendix C).			