

Agenda No

AGENDA MANAGEMENT SHEET

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|------------------------------------|---|
| Report Title: | Council Tax Base 2024/25, Draft General Fund Revenue and Capital Budget 2024/25 and Medium-Term Financial Plan 2024-2028 |
| Name of Committee: | Cabinet |
| Date of Meeting: | 8 January 2024 |
| Report Director: | Chief Officer - Finance and Performance |
| Portfolio: | Finance, Performance, Legal and Governance |
| Ward Relevance: | All Wards |
| Prior Consultation: | Budget working group, group leaders |
| Contact Officer: | Paul Conway, Financial Manager, paul.conway@rugby.gov.uk, 01788 533405 |
| Public or Private: | Public |
| Report Subject to Call-In: | Yes |
| Report En-Bloc: | No |
| Forward Plan: | Yes |
| Corporate Priorities: | This report relates to the following priority(ies): |
| (C) Climate | <input checked="" type="checkbox"/> Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C) |
| (E) Economy | <input checked="" type="checkbox"/> Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E) |
| (HC) Health and Communities | <input checked="" type="checkbox"/> Residents live healthy, independent lives, with the most vulnerable protected. (HC) |
| (O) Organisation | <input checked="" type="checkbox"/> Rugby Borough Council is a responsible, effective and efficient organisation. (O) |
| | Corporate Strategy 2021-2024 |
| | <input type="checkbox"/> This report does not specifically relate to any Council priorities but |

Summary: Under the Local Government Act, an authority must set a Council Tax and balanced budget, giving 14 days' notice of the Council Tax level prior to the date of billing. The Council must set a budget before 10 March of each year.

This is the second Draft Budget Report to include Capital and Treasury commitments for 2024/25 through to 2026/27 and Council Tax Base for 2024/25.

Financial Implications: None as a direct result of this report

Risk Management/Health and Safety Implications: None as a direct result of this report, however items in the approved budget may need to be included in organisational risk registers.

Environmental Implications: None as a direct result of this report and therefore no climate change and environment impact assessment are required, however one may be required for the final council tax setting report

Legal Implications: None as a direct result of this report

Equality and Diversity: None as a direct result of this report and therefore no Equality Impact Assessment is required

Options: None

Recommendation:

1. The draft General Fund Revenue and Capital Budget position for 2024/25 alongside the Council's 2024-2028 Medium Term Financial Plan be considered;
2. The Council Tax Base 2024/25 as detailed in Appendix 2 be approved; and
3. Subject to consultation with group Leaders delegated authority be granted to the Chief Officer for Finance and Performance to amend the Council Tax Base, subject to the details of the final funding allocations for 2024/25 having an impact on the calculation used in this report.

**Reasons for
Recommendation:**

Following on from the report presented in October, this updated overview of the Council's General Fund revenue and capital budgets needs to be considered by Cabinet as part of the budget setting process and to ensure its affordability and contribution to the Council's Corporate Strategy.

The report includes assumptions for growth and savings which require consideration for inclusion in the 2024/25 budgets and the Medium-Term Financial Plan.

Agenda No

Cabinet - 8 January 2024

Council Tax Base 2024/25, Draft General Fund Revenue and Capital Budget 2024/25 and Medium-Term Financial Plan 2024-2028

Public Report of the Chief Officer - Finance and Performance

Recommendation

1. The draft General Fund Revenue and Capital Budget position for 2024/25 alongside the Council's 2024-2028 Medium Term Financial Plan be considered
2. The Council Tax Base 2024/25 as detailed in Appendix 2 be approved; and
3. Subject to consultation with the Chief Executive, Monitoring Officer and the Leader of the Council, delegated authority be given to the Chief Officer for Finance and Performance to amend the Council Tax Base, subject to the details of the final funding allocations for 2024/25 having an impact on the calculation used in this report.

1. Executive Summary

This report outlines the Draft General Fund Budget for Rugby Borough Council, including proposals for growth and savings, in preparation for the final budget and Medium-Term Financial Plan (MTFP) to be approved in February 2024.

Key points:

- The latest MTFP forecasts a balanced position for 2024/25 .
- Savings proposals: The draft budget includes (£2.968m) million in savings proposals for 2024/25, this can be categorised as (£2.314m) as temporary and (0.654m) as permanent.
- Limited growth: Only limited areas of growth are included in the draft budget, all with plans demonstrating value for money and alignment with the Corporate Strategy.
- Fees and charges: Proposed increases of 6.7% for most fees and charges, with exceptions for nationally set.

- Procurement: Continued focus on reducing contract values and non-contracted spend through training, specification adjustments, consolidation, and contract management.
- Reserves: Risk assessment and review of reserve balances will be presented at the Council Tax Setting meeting in February.
- Capital programme: No new capital projects will be approved for 2024/25, except for urgent cases, to focus on completing the existing backlog. Existing schemes with no progress since 2021/22 will be removed from the programme.
- The use of in year business rates growth of £1.124m will have an impact on the total transferred to the Business Rates Equalisation Reserve. The final value of the transfer to the reserve will be determined in line with the 2024/25 business rates projections in line with the NNDR1 form which requires submission by 31 January 2024.
- The MTFP summary in appendix 1 includes the 2023/24 parish precept forecasts as the final information will not be received until January. The Council has no input on these values and unlike District and Unitary authorities there are no referendum limits to follow, meaning Parishes have complete discretion over the annual increases.

Overall, the draft budget proposes measures to address the 2024/25 savings target while emphasising value for money and prudent financial management.

2. Purpose

- 2.1. The purpose of this report is to provide a Draft Budget giving details of growth and savings proposals in preparation for the Final Budget and Medium-Term Financial Plan (MTFP) to be approved by Cabinet and Council 22 February 2024.
- 2.2. Following the announcement of the Autumn Statement on 22 November the details of the impact on Rugby Borough Council through the Provisional Local Government Finance Settlement (PLGFS) were released on the 18 December shortly before the publication of this report. Therefore, officers will continue to analyse the details and will provide any relevant updates as part of the February update report.
- 2.3. The report includes all decisions made by Cabinet and Council up to the meeting of Cabinet on the 04 December.
- 2.4. **Throughout the report savings on expenditure and income are shown in brackets.**

2.5. This report includes the following appendices:

- **Appendix 1** – Medium-Term Financial Plan 2024-2028
- **Appendix 2** – Council Tax Base detail for each Parish area
- **Appendix 3** – Proposed growth and savings for 2024/25
- **Appendix 4** – Current approved capital programme

3. Background

- 3.1. The current Medium-Term Financial Strategy (MTFS) covers the period 2023-2026, this has been used as the starting point for the updated MTFP attached as Appendix 1. The MTFS is now a rolling 3 year document and an updated version will be presented to Council as part of the Council tax setting meeting on 21 February.
- 3.2. The process for the budget setting process began in March through the Budget Working Group. In addition to looking at options for savings for the 2024/25 financial year and beyond, analysis has taken place on the delivery of the current years savings as well as the budget monitoring process. The group invited Cabinet and Group Leaders for a joint meeting during November after the announcement of the Autumn Statement to discuss the impact of the announcement and the progress made to date.

4. 2024/25 policy statement/ Local Government Provisional Settlement

- 4.1. On 5 December the Secretary of State has given an update on local government funding in advance of the provisional local government finance settlement 2024-25:

[https://www.gov.uk/government/publications/local-government-finance-policy-statement-2024-to-2025](https://www.gov.uk/government/publications/local-government-finance-policy-statement-2024-to-2025/local-government-finance-policy-statement-2024-to-2025) <https://questions-statements.parliament.uk/written-statements/detail/2023-12-05/hcws95>.

- 4.2. A pre-settlement policy statement now appears to be an annual event (the first was published this time last year, 11 December 2022). Last year's Policy Statement outlined the key decisions for the 2023/24 settlement and also for the 2024/25 settlement. Most of those decisions are unchanged,

- 4.3. The Local Government Provisional Finance Settlement was released on 18 December

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2024-to-2025>

With the timing of the release and the publication of the agenda, officers are still interrogating the information and the impact on the Council, however in summary;

- “Core” Band D council tax (2.99% maximum increase, or £5 for shire districts). ***this could generate £0.306m for the Council***
- Baseline Funding Level (BFL) and Revenue Support Grant (RSG). Local authorities’ BFL allocations will be uplifted by the increase in the standard business rating multiplier (6.62%), apportioned using proxy data. ***the expected changes are marginal to the £2.700m already included in the MTFP model***
- Cap compensation will be paid to compensate authorities for lost income arising from the decision to freeze the small business rating multiplier.
- Further detail about how the settlement will be changed to accommodate the decoupling of the multipliers will be released before the provisional settlement.
- 3% Funding Guarantee. Continues into 2024-25 and calculated on the same basis as in 2023-24. ***this will generate £1.500m for the Council, and around £0.500m extra than the forecasting used for the 2023/24 MTFP***
- Services Grant will continue to operate in the same way in 2023-24 but with a reduced overall amount. ***this will generate £0m for the Council, a reduction of £0.040m from the 2023/24 MTFP***
- New Homes Bonus (NHB) will continue in 2024-25. No future legacy payments –***this will generate £0.732m for the Council, with the 2023/24 MTFP assuming £0***

Further updates will be presented where necessary in the lead into the Council tax setting meeting. As details on grants previously received in relation housing benefit and council tax reduction schemes are not known at the time of publication, but have been included as per the 2023/24 MTFP.

5. Funding Reform

- 5.1. Local Government continues to face challenges in delivering a sustainable and balanced budget across the medium term. The biggest challenge facing Rugby Borough Council continues to be the uncertainty around the reforms of business rates and the fair funding.

Business rates

- 5.2. The current business rates retention system was introduced for the first time in 2013/14. Rugby Borough Council as a billing authority collects all the business rates in their local area on behalf of major precepting authorities and central government. The proportion of business rates each authority may retain in two-tier area like Warwickshire is 10% County Council, 40% Rugby Borough Council and remainder is retained centrally by the government. Local authorities are then allowed to keep 50% of any business rates they collect above their baseline level.
- 5.3. Because the amount of business rates an individual authority can collect varies enormously depending upon location and the characteristics of the authority, the government has introduced a system of top-ups and tariffs to redistribute business rates around the country. Local councils with a relatively high level of business rates like Rugby BC pay a tariff into a national pot which is used to pay top-ups to those local authorities with relatively low levels of business rates. The level of top-ups and tariffs is confirmed each year by the

government in the Local Government Financial Settlement and both top-ups and tariffs are updated each year by the business rates multiplier, in-line with inflation.

- 5.4. The Council is part of the Coventry and Warwickshire business rates pool. This has meant that any tariff payable is made through the pool to central Government, along with the other Warwickshire Districts, the County Council and Coventry City Council. The operation of the Coventry and Warwickshire pool has meant that the tariff payments made by the council are reduced and more business rates income can be kept locally.
- 5.5. As a high business rates growth borough, any reform which will restrict the growth that is retained will have a significant impact on the finances available for the general fund. To remove reliance from business rates, since 2017/18 any growth above the assessed relative needs assessment has been placed into a reserve, this helps to be resilient against a cliff edge drop in funding and allows the Council to mitigate against the risks associated with the change in scheme.
- 5.6. The current MTFs which was approved by Council as part of the 2023/24 budget setting process approved the continuation of the policy with the transfer of business rates growth to the Business Rates equalisation reserve. If the Council reversed this decision and retained all business rates to fund services, there would be no savings required to balance the budget across the 3 years of the new MTFs, however with the reset scheduled from the 1 April 2025, this would expose the Council to the risk of having to generate significant savings to balance the position, and the scale of which could have an impact on service delivery. The current approach is reducing the reliance on business rates, but with the flexibility to use the growth when required.

Fair funding

- 5.7. Fair funding in local government refers to the allocation of resources from central government to local authorities in a way that ensures all areas can meet the needs of their residents. This is important because local authorities are responsible for providing a wide range of essential services, such as education, social care, and housing. However, there is a wide variation in the needs of different areas.
- 5.8. A fair funding system review would consider several factors, such as the population of an area, the level of deprivation, and the cost of providing services. It would also need to be regularly reviewed to ensure that it remains fair and reflects the changing needs of different areas.
- 5.9. Similarly, to the Business rates reset, there are no firm timescales for this review, and it is unclear what the impact on Rugby would be.

General

- 5.10. Whilst the details of any reform are yet to be know, it is widely anticipated that there would be some form of transitional funding available to those Council's that are negatively impacted. The MTFP shown in appendix 1 is a worst-case scenario assuming no funding, and the reserve risk assessment is used to identify economic impacts of any changes. Unless the worst-case scenario materialises it is expected that the impact will be phased in over time and this will form part of future sensitivity analysis.

6. Latest position – 1 December 2023

- 6.1. The 2022-2026 MTFP presented to Council at its meeting on the 22 February 2023. The detailed papers can be found using the link below:

[Council agenda 22 February 2023](#)

- 6.2. Appendix 1 provides details of the changes when compared to the 2023/24 base budget. Movements from the previous year include £1.271m for the annual pay award and salary increments, a reduction in car parking income of £0.183m an increase in planning income of (£0.150m) and a (£0.611m) one off reimbursement relating to business rates at the Rugby Art Gallery and Museum.

7. Council Tax

- 7.1. The latest forecast information for 2023/24 indicates that the tax base (as at 1 December 2023) is 40,850.93 which is 2% above the budgeted estimate of 40,434.65. Council Tax Reduction awards are at an average 6% of the net Council Tax.
- 7.2. The final collection fund estimates for 2023/24 which are used for budget setting 2024/25 are expected to be confirmed on 15 January 2024 and will be included within the Council Tax Setting report.
- 7.3. For Section 33 of the Local Government Finance Act 1992 and in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012 the amounts calculated by the Council as its Tax Base for the whole area for the financial year beginning 1 April 2024 is 40,975.01 with the detail for those parts of its area as specified in Appendix 2.
- 7.4. The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 require the billing authority (Rugby Borough Council) to calculate its Council Tax Base for the following year and to notify the Tax Base to Warwickshire County Council and Police Authority by 31 January. All Parish councils are also to be provided with the information for their area. The regulations prescribe the rules for making the calculations. The Tax Base is expressed in

terms of an equivalent number of band D properties for the whole area and for parts of the area as appropriate.

- 7.5. Appendix 2 provides full details of the Council Tax base for 2024/25 with the financial impact of this marginally below (0.25%) of the initial estimates included within the MTFP reported in February 2023. The revised estimate with an assumed 2.99% increase is £8.898m. This excludes Parish precepts as the Council does not have any involvement in these and Parishes do not have any referendum limit caps. The Parish precept info included in appendix 1 is the original estimates from 2022/23 and the updates will be included following the receipt of the information from the individual parishes.

8. Business rates

- 8.1. Net Rates Payable at the end of September (Quarter 2) are 7% higher than estimated in the NNDR, generating £60.595m compared to a forecast of £59.948m
- 8.2. The final collection fund estimates for 2023/24 which are used for budget setting 2024/25 is confirmed alongside the completion of the NNDR1 submission which is submitted 31 January 2024 and then included within Council Tax Setting report.

9. Medium Term Financial Plan 2024-2029

- 9.1. Appendix 1 shows the MTFP for the next five financial years, however officers are now taking a longer-term analysis of the financial position of the Council and are looking ten years into the future. In summary, it shows the following forecast budget shortfalls:
- 9.2. The budget for 2024/25 is currently proposed to be balanced. In order to achieve this, business rates growth of £1.124m is required. One of the significant benefits of the Councils MTFP policy is to allocate business rates growth above the sustainable baseline. This allows the Council the flexibility to draw on this income whilst any new reforms of the system are finalised.

| Financial Year | In Year Saving/ Transformation Target £000s | Cumulative saving/transformation £000s |
|----------------|---|--|
| 2024/25 | 0 | 0 |
| 2025/26 | 5,180 | 5,180 |
| 2026/27 | 170 | 5,350 |
| 2027/28 | 803 | 6,153 |

Table 2 – Saving/Transformation Targets

| | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|--|-----------------|-----------------|-----------------|-----------------|
| | £000s | £000s | £000s | £000s |
| BASE BUDGET | 20,402 | 23,018 | 19,361 | 20,028 |
| <i>Growth and budget adjustments</i> | 4,099 | (5,969) | 685 | 600 |
| <i>Savings</i> | (2,935) | 2,128 | 0 | 0 |
| <i>Technical Adjustments relating to 2023/24</i> | 1,855 | 0 | 0 | 0 |
| <i>Corporate Items</i> | (404) | 184 | (17) | 0 |
| Total Net Base Budget | 23,018 | 19,361 | 20,028 | 20,628 |
| Financed By | | | | |
| Council tax | (9,942) | (10,370) | (10,814) | (11,273) |
| Business Rates | (10,566) | (3,561) | (3,640) | (3,000) |
| Government Grants | (2,509) | (249) | (224) | (202) |
| TOTAL | (23,018) | (14,180) | (14,678) | (14,475) |
| SAVING / TRANSFORMATION TARGET | 0 | 5,180 | 5,350 | 6,153 |

10. Revenue Budget Savings

- 10.1. The draft budget for 2024/25 includes savings proposals for the next 12 months totalling £2.935m with full details given within Appendix 3. Several of the proposals are temporary and so the benefit is for a single year with a reversal included in the 2025/26 financial year.
- 10.2. In addition to the savings in the schedule, officers have reviewed the interest receivable budget (part of the net cost of borrowing within the budget) The existing 2023/24 budget was established before the 14 consecutive increases from 2021, based on this there is a potential benefit of (£0.547m) which takes into account a reduction in interest rates and also reserve balances as the capital programme is delivered.
- 10.3. Savings proposals identified in the appendix with a value over £10,000 will have a savings delivery plan to document how the full saving will be achieved. Officers with the support of Financial Services will produce detailed action plans for achievement and the delivery of the savings. The progress will be reported to Cabinet as part of the quarterly financial and performance reporting in 2023/24.
- 10.4. The savings will also be included as an objective in the Corporate Strategy Delivery plan where relevant.

- 10.5. It is critical that these steps are in place because non delivery will add a pressure to the MTFP because as well as generating budget pressures, it is likely to lead to a use of reserve balances over and above the level in the risk assessment as well as requiring alternative options to deliver a balanced budget.
- 10.6. Officers are currently working on areas which may lead to additional savings in the next budget update. If there are any additional items, these will be included in the next update. In addition to this, there could be amendments to current savings items as the process concludes.

11. Service Growth

- 11.1. There are limited areas of growth included in the draft budget. Growth items for the next 12 months total £0.859m and a summary is shown in appendix 3. All growth items have a detailed plan of how the funding helps deliver the Corporate Strategy and demonstrates value for money. Growth can be permanent or temporary, where temporary it is reversed in the relevant financial year.
- 11.2. In addition to service growth, the budget accounts for contractual inflation of £0.198m.
- 11.3. As part of every employees contract, an annual pay increase is paid based on national pay settlement and increments are provided for staff not at the top of their respective bands. Assuming a 4% pay increase, all increments and also accounting for the 2023/24 pay award which was a flat £1,925 for all staff up to grade K, the cost of staffing is projected to increase by £1.271m.
- 11.4. Officers are currently working on areas which may lead to growth requests in the next budget update, this could potentially include staffing resources to ease capacity issues within teams for a variety of reasons that include additional responsibilities, vacant posts and new initiatives. In addition to this, there could be amendments to current growth items as the process concludes.

12. Fees and Charges

- 12.1. The fees and charge policy within the MTFFS states that fees and charges will increase with CPI of the September of the year prior to the new financial year. Therefore, it is proposed fees and charges be increased by 6.7% which is CPI in September 2023. However, there are exceptions:
 - where fees are set nationally by government and therefore not within the authority's control – examples of this include certain licensing fees and planning fees which have recently been increased by 25% for minor applications and 35% for major applications; and
 - fees whereby decisions have already been made on the value for the 2024/25 financial year.

- Using the principles of the Councils commercialisation pillars, a variation is required.
- 12.2. The fees and charges for the trade waste service have not been published in the schedule due to the commercially sensitive nature of the activity.
- 12.3. It should also be noted that because fees are rounded to the nearest £0.10 there could be variations to the percentage increase.
- 12.4. It is proposed to increase some fees by more than 6.7%;
- House in Multiple Occupation license fees due to recent cost recovery exercise which showed that a substantial increase is required to cover the costs of providing the service.
 - Benn Hall fees due to the charges being reviewed on a three yearly cycle rather than annual.
- 12.5. The proposed draft schedule of new fees and charges will be presented to Cabinet in February.

13. Procurement

- 13.1. There is a continued commitment to reducing contract values for future renewals and to a reduction in non-contracted spend. In combination with providing training to all budget managers as a module on the corporate wide training programme.
- 13.2. Procurement officers have been challenging specifications to ensure that they reflect the service required, and reduce volume or activity where possible, alongside the consolidation of similar purchases across the organisation and potentially external partners, into one contract thus reducing transactional costs and benefitting from potential economies of scale, e.g. a building cleaning contract for corporate properties, housing and private lease properties, gas and electricity contracts for all assets and a fuel framework for fleet.
- 13.3. Officers have also been supporting contract managers to identify non-contracted spend and putting contracts in place to ensure compliance and explore opportunities to create savings through these contracts.

14. Risk Assessment of General Fund Balances and earmarked reserves

Risk Assessment

- 14.1. As part of the annual budget setting process an assessment of the required level of reserves needs to be undertaken, taking account of the potential

future financial risks faced by the Council. It is considered prudent to hold sufficient reserves and balances to give the Council the ability to manage any peaks in expenditure and troughs in income and funding over the medium term, by making short term contributions towards balancing the budget and give the Council time to plan service changes and further efficiencies.

- 14.2. The risk assessment is not a forecast use of reserves, it is a summary of all the financial risks that could face the authority. With the announcement of the deferral of the reset there is less pressure on reserves, however the risk assessment alongside a review of the balances of all the reserves held by the Council will be presented as part of the next report being presented at the Cabinet on 6 February.

Earmarked reserves

- 14.3. The Council also holds earmarked reserve balances which are held for specific purposes. Examples of this include:

- £5.000m Town Centre Strategy Reserve
- £1.000m Emergency Climate Change Reserve
- £1.348m Transformation Fund Reserve

- 14.4. The forecast use of reserves will be completed for December 2023 (Quarter 3) for the period of the MTFP will be presented as part of the next report to Cabinet on 6 February

15. Capital Programme

- 15.1. The Prudential Code for Capital Finance in Local Authorities sets out that to demonstrate that an authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy. The Capital Strategy will set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The Capital Strategy for 2024-27 will be presented to Audit and Ethics Committee on 01 February and approved by Council on 21 February.
- 15.2. The capital programme for Rugby Borough Council consists of schemes and projects that already have members' approval, and these include a range of continuation programmes that occur on an annual basis. The continuation programme budgets were included in the approved Capital Strategy included in the Council Meeting on 22 February 2023 and have a value of £2.276m for 2023/24.
- 15.3. The Council Tax setting report is no longer an approval process for capital schemes. Chief Officers and their budget managers have been asked to

identify capital proposals for the next ten years. The proposals returned will be included as a financial planning tool only and budget managers will need to submit Cabinet reports with full appraisals to seek budget approval. When budget approval is granted, schemes will be added to the Capital Programme.

- 15.4. Appendix 4 shows the proposed 2024/25 budgets for continuation programmes. The total capital programme approved for 2024/25 (excluding 2023/24 schemes that have been reprofiled) is £1.752m. Appendix 4 also shows planned capital additional expenditure and financing that is subject to future Cabinet approval, in line with the requirements of the Capital Strategy.
- 15.5. As a policy decision, due to the significant level of projects extending beyond the original timeframe, and to allow the backlog to be dealt with without adding additional strain on the process, *'no new capital projects will be approved for the 2024/25 financial year, unless urgent, to enable the backlog of work to be completed.* There is a financial benefit to this because any schemes that are funded from external resources will incur a cost of borrowing (interest payment) and the Minimum Revenue Provision which is a statutory adjustment for the repayment of the debt, both of which is a revenue cost and impacts on negatively on the MTFP'.
- 15.6. It is also recommended that from 2024/25 any schemes approved prior to 2021/22 for which there no work has been undertaken will be removed from the programme and a new report will be required to be included in the programme, this is linked to both the volatility of prices in the current market and also ensuring that the objectives still align with the Corporate Strategy. This will be included in the revised Capital strategy which will be presented to Audit and Ethics Committee 1 February.
- 15.7. The Capital Strategy also gives the Chief Financial Officer the delegated authority to review the funding of the capital programme and make changes where appropriate. For example, carrying out a funding swap of external resources to capital receipts and reserves will generate a revenue saving as Minimum Revenue Provision (MRP) and net cost of borrowing will not be required.

16. Performance management

- 16.1. The delivery of the approved proposals will be monitored throughout the 2024/25 financial year in a variety of ways.
 - Budget monitoring reports
 - Through the submission of quarterly financial and performance reports to Cabinet members will have visibility of the achievement of the budget and explanations for variances including the RAG rating of savings targets. Embedded into this reporting is performance management and KPIs and Key statistics relating to services will be aligned to the financial position of the Council.

- Exception reporting
 - Between the quarterly reports officers will produce exception reporting to the Chief Financial Officer and the budget working group. These reports will be focused on key risk areas and services where there are emerging pressures or opportunities.
- Budget Working Group
 - The work of the group will continue to look at all aspects of strategic financial management and the direction of travel for the organisation.
- Corporate Strategy Delivery Plan
 - With the implementation of the Corporate Strategy delivery plan, officers will align financial performance to the delivery of the objectives in the plan. Informally this will be included in the project management framework and will be considered through project reporting. This could lead to more detailed reporting.
- Risk management
 - Officers are reviewing and implementing a new risk management template and financial performance could feature in operational risk registers and if significant escalated to the corporate and strategic registers.

Name of Meeting: Cabinet.

Date of Meeting: 8 January 2024

Subject Matter:

Originating Department: Finance and Performance

DO ANY BACKGROUND PAPERS APPLY YES
NO

LIST OF BACKGROUND PAPERS

| Doc no | Title of Document and Hyperlink |
|---------------|---|
| | 2023.10.23 Cabinet agenda - initial budget review |
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The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

| Doc no | Relevant Paragraph of Schedule 12A |
|---------------|---|
| | |
| | |