

**Report for: Cabinet**

Date of Meeting:	9 January 2024
Subject:	2024/25 – 2028/29 Medium Term Financial Plan Update
Cabinet Member:	James Buczkowski – Cabinet Member for Finance
Responsible Officer:	Andrew Jarrett – Deputy Chief Executive (S151)
Exempt:	N/a
Wards Affected:	All
Enclosures:	Appendix 1 – General Fund Budget Summary by Service Appendix 2 – HRA Summary Position Appendix 3 – HRA fees/charges Appendix 4 – Capital Programme

**Section 1 – Summary and Recommendation(s)**

This report provides an update on the 2024/25 General Fund Budget and Capital Programme and proposes a balanced budget for the Housing Revenue Account.

**Recommendation(s):**

**Cabinet are asked to:**

- 1. Note the initial results from the 2023 Residents Survey in relation to the Budget (section 3);**
- 2. Consider and agree the revisions to the 2024/25 General Fund Budget as outlined within Section 4, and indicate how they wish the remaining budget deficit to be mitigated;**
- 3. Note the update on the Local Government Finance Settlement included within Section 5;**
- 4. Consider and agree the revisions to the 2024/25 Housing Revenue Account Budget as outlined within Section 6;**
- 5. Consider and agree the proposed increase in HRA Rents and Fees as outlined in Appendix 3;**
- 6. Consider and agree the updated 2024/25 to 2028/29 Capital Programme explained in Section 7 and Appendix 4.**
- 7. Note the updated MTFP's for the General Fund, Housing Revenue Account and Capital Programme covering the years 2025/26 to 2028/29**

**and agree that work on strategic planning for delivering a balanced budget for 2025/26 and beyond is commenced immediately.**

## **Section 2 – Report**

### **1. Introduction and purpose of the Medium Term Financial Plan**

- 1.1. The main purpose of the MTFP is to show how the Council will strategically manage its finances in order to support the delivery of the priorities detailed in the Corporate Plan 2020 – 2024 and future years beyond that plan. This will importantly need to take account of the new council administration in their emerging corporate plan ambitions.
- 1.2. The Council has a legal requirement to set a balance budget and needs to ensure its overall costs are affordable i.e. they can be funded through income and planned short-term use of reserves. Members therefore need to take the necessary decisions and actions to manage net spending within affordable limits.
- 1.3. This report provides an update on the 2024/25 General Fund Budget and Capital Programme and proposes a balanced budget for the Housing Revenue Account.

### **2. 2024/25 – 2028/29 Budget Process**

- 2.1. In September, the General Fund (GF) indicated a budget deficit of £2.103m in 2024/25 rising to over £5.2m by the end of the 5-year timeframe, based upon a number of key assumptions (e.g. changes for Government funding mechanisms, inflation rates, pay award, Council Tax level, use of balances/reserves).
- 2.2. An initial round of savings options were identified totalling £1.337m and presented to the various Policy Development Groups on route to October Cabinet. Following approval the deficit reduced to £765k.
- 2.3. Following further review and refinement, these savings were increased by £307k. In addition, following further detailed challenge and review of each service area through a Star Chamber process lead by the Deputy Chief Exec (S151), Corporate Manager for Finance, Property and Climate Change, and the HR Operations Manager, a net £37k additional savings were presented to Cabinet in December 2023. This increased the value of the savings identified to £1.685m and reduced the outstanding deficit to £418k.
- 2.4. This report updates the position for the 2024/25 General Fund budget and shows the adjustments made in mitigating the previously reported deficit of

£418k down to £150k. Work continues to review the budget and ensure it is robust. It is therefore likely, given the timing, that the identification of amendments to budget proposals and potential further government announcements may refine the budget further.

- 2.5. The report also proposes a balanced budget for the Housing Revenue Account. Initially, the HRA budget deficit reported to the Homes PDG forecast a shortfall of £205k for 2024/25, rising to £3.081m over the five-year timeframe. Following review, the 2024/25 position had improved to be a projected surplus of £285k by December Cabinet, largely due to revisions in income forecasts, although the Capital Programme still required further refinement.
- 2.6. The proposed Capital Programme has increased slightly from the £36.087m presented to December Cabinet, now comprising of £21.506m of new General Fund projects and £16.136m of HRA Development Programme.

### **3. Initial Results from the 2023 Residents Survey**

- 3.1. For six weeks during November/December 2023, the Council undertook a Resident's Survey. The feedback from which will be reviewed (including any associated action plans) in a Cabinet report in March 2023.
- 3.2. The online survey was publicised as widely as possible including local press, social media and through Parish Councils. Paper copies were also available and Customer Services staff were also able to assist anyone who was unable to complete the form, but wanted to have their say. It received over 800 responses (lower than in 2022), but caution is advised in terms of this being statistically representative.
- 3.3. Part of that survey included specific consultation on the 2024/25 budget. The budget feedback will be considered at the next round of Cabinet and PDG meetings in January. A summary of the budget related responses is included below along with a comparison, where applicable, to last year's results and those received from the Local Government Association resident satisfaction telephone survey, conducted in June 2023:
  - 36% strongly agree or tend to agree the Council provides value for money. (42% LG Inform 2023 / 46% Mid Devon Residents' Survey 2022);
  - 45% said the most important priority when making spending decisions was providing basic statutory services (42% in 2022), 17% seeking to support and develop the economy (16% Mid Devon Residents' Survey 2022), 17% delivering affordable housing (14% Mid Devon Residents' Survey 2022), and 11% said tackling climate change (15% Mid Devon Residents' Survey 2022);
  - 42% said when making spending plans the Council should protect services even if it means it will need to increase council tax and fees and charges

(50% Mid Devon Residents' Survey 2022). 31% said the Council should share services with other organisations (20% Mid Devon Residents' Survey 2022).

- 58% think the Council should seek to generate additional income from planning and building control (63% Mid Devon Residents' Survey 2022), and 42% said from licensing.
- Of the discretionary services provided by MDDC there was a fairly even balance about which services should be protected: 57% public toilets, 55% favoured parks and open spaces, 52% town centre regeneration (52%, 51% and 46% respectively, Mid Devon Residents' Survey 2022).
- Of our statutory services, 92% felt waste and recycling service was the most important service (92% Mid Devon Residents' Survey 2022), followed by food and water sampling with 66% (69% Mid Devon Residents' Survey 2022), and street cleaning at 58% (56% Mid Devon Residents' Survey 2022).

3.4. The results generally show a desire to protect basic service provision, even if it means it will need to increase council tax and fees and charges. Specific service areas results show a downward trend with many 2022 results being lower than the prior year equivalent.

3.5. The current proposed budget reflects much of this, through:

- Protecting services – service provision remains largely in line with the current level of service provision wherever possible, although there clearly remains an increasing deficit to offset in future years;
- Significant investment in decarbonisation of our estate and additional housing;
- Income generation has been prioritised with a full review of Fees and Charges and inflationary price increases applied. In some cases, above inflation increases have been applied to discretionary services to ensure full cost recovery is achieved.

3.6. Income from Planning Development is largely controlled by Government as planning fees are set nationally. However, these have recently been increased and have been reflected within the proposed budget, although this is still not sufficient to offset the full cost of delivering the service. All discretionary fees have been increased to further minimise the difference between the cost of operating this service and the income it generates.

3.7. In response to the question on what else should be considered a priority when setting the budget. The key themes for these responses were – those who are vulnerable, climate change, council value for money/efficiency and again a focus on functions which are not provided by Mid Devon District Council (e.g. social care, pot holes, street lighting, greater police presence, etc.).

3.8. Resident and customer feedback is a powerful source of information that will enable us to ensure that we are directing our resources to the areas of highest

priority and take remedial action in areas that our public are voicing concerns over.

#### 4. 2024/25 General Fund Budget – Revised Position

4.1. The proposals contained in this report result in a reduced budget deficit of £150k for the 2024/25 General Fund (see **Appendix 1**), a reduction of £269k from the £418k forecast budget deficit last reported to Cabinet. The following table shows the movements since December:

*Table 1 – Reconciliation of budget movements since December*

Movements	Amount £k
<b>Budget Shortfall presented to December Cabinet</b>	<b>418</b>
Implications of the Finance Settlement and other Government Grants	(85)
Additional Business Rates Growth – net of contributions to EMR	(27)
Additional Council Tax Yield following increase in Referendum Limit	(53)
Further Service savings identified – Building Control Partnership	(78)
Further refinement of Service Budgets	(23)
Finalisation of the recharges to HRA	(2)
<b>Current Budget Shortfall for 2024/25</b>	<b>150</b>

4.2. A Summary of the recently announced Finance Settlement is included within Section 4 below. This has impacted upon Government Grants, Business Rates and Council Tax.

4.3. Although the proposal for Building Control fees is to increase by 6.7% in line with the majority of the Council’s other fees and charges, the overall budgeted income yield is forecast to reduce due to the current economic conditions and reduced house building. This reduction in income alters the balance of the Partnership which reduces our share of the budgeted costs – leading to a £78k saving.

4.4. There are a couple of minor refinements to service budgets including Member Allowances reflecting the proposal from the Independent Remuneration Panel, and an slight increase in recycle income following a minor increase in the price of plastics.

4.5. Despite further analysis work and discussions with Members and Budget Holders, it was not possible to identify the full £418k ongoing savings required. Cabinet are asked to consider how to offset the remaining £150k deficit, through further service savings/income options or by a one-off use of reserves to enable the continuation of the current level of service provision wherever possible.

## 5. Local Government Finance Settlement Update

- 5.1. The Provisional Local Government Finance Settlement: England, 2024 to 2025 was published on Monday 18 December 2023 by the Rt Hon Michael Gove MP (Secretary of State for Levelling Up, Housing and Communities).
- 5.2. Unsurprisingly, it only covers one financial year again, 2024/25; a sixth one-year settlement in a row. Therefore no indications were included about future funding levels leaving councils continuing to struggle with long term financial planning and financial sustainability.
- 5.3. The announcement launches a short consultation on the published details before being finalised in Late January / early February, although there is rarely any material movement.
- 5.4. National Headlines

- 5.4.1. In his covering statement, the Minister declared “the settlement provides an increase of 6.5% on 2023-24 - an above inflation rise in recognition of the pressures being faced by local authorities....It is good news for our local government sector that we are presenting an above-inflation increase in funding.”

The national control totals announced show this:

*Table 2 – Core Spending Power – National Control total*

	<b>Core Spending Power</b>
2023/24	£60.197bn
2024/25	£64.100bn
<b>Movement £</b>	<b>£3.903bn</b>
<b>Movement %</b>	<b>6.48%</b>

- 5.4.2. It must be noted however that much of the additional funding is through the assumed increase in Council Tax, and grant directed towards social care “to continue to support councils providing essential adult and children’s social care services, we are making available £1 billion in additional grant funding for social care in 2024-25 compared to 2023-24.” Furthermore, the most relatively deprived areas of England will receive 18% more per dwelling in available resource through this settlement than the least deprived areas. **Therefore, Mid Devon District Council does not see an increase of this scale.**
- 5.4.3. Within the overall figures is a commitment that “The Funding Guarantee introduced last year will be maintained to ensure every council in England sees at least a 3% increase in Core Spending Power before any local decisions are made around council tax. This decision has been taken in recognition of the pressures being faced by local authorities despite the recent drop in inflation”.

**Mid Devon District Council will benefit from this commitment but our increase is below the current level of inflation.** Instead, local authorities are asked to “consider how they can use their reserves to maintain services over this and the next financial year”.

5.4.4. The previously indicated Council Tax Referendum limits were confirmed for 2024/25, as follows:

- a core council tax referendum limit for local authorities of up to 3%;
- a council tax referendum principle of up to 3% or £5, whichever is higher, for shire district councils;
- an adult social care precept of 2% for all authorities responsible for adult social care services;
- a council tax referendum principle of £13 for police authorities;
- the core council tax principle of up to 3% will apply to fire and rescue authorities; and
- no council tax referendum principles for mayoral combined authorities or town and parish councils, but the government will review the decisions taken by these authorities when considering referendum principles in future years.

Although for Mid Devon District Council this reflects an increase on recent years, District and Fire Authorities continue to have lower allowable increases compared to other categories of Authority. Lobbying continues to improve the allowable increase to be the higher of 4.99% or £10 (still less than 20p per week for MDDC).

5.4.5. The 2023/24 settlement also confirmed that the long awaited reforms to funding and the Business Rates system will not be implemented during this parliament, giving “Stability for councils by maintaining our approach to other grants”. Following apparent calls from the sector for stability, “Now is not the time for fundamental reform, for instance implementing the Review of Relative Needs and Resources or a reset of accumulated business rates growth.”

## 5.5. Detail relevant to MDDC

5.5.1. Although the Council is much less reliant upon Government Grant than it previously was, it remains a critical event for Council funding as it also outlines key aspects surrounding Council Tax and Business Rates income including the ability for Devon authorities to continue to pool its Business Rates – which is beneficial for the Council.

5.5.2. The headline announcements centre on the government’s Core Spending Power Index. However, it is important to remember that we have made assumptions about funding levels. Therefore it is more appropriate to compare our assumptions to the settlement to understand whether the council is truly

better off. The table below shows the previous assumptions, updated to the settlement announcements where relevant:

*Table 3 – Settlement Update compared to MDDC Forecast*

Funding Source	2023/24 MDDC Budget	2024/25 MDDC Assumption (Dec 2023)	2024/25 Settlement Update	Movement from Assumption	
	£	£	£	£	%
Business Rates <sup>#</sup>	4,318,960	4,448,560	4,475,860	27,300	0.61%
Council Tax <sup>#</sup>	6,749,030	6,875,743	6,928,933	53,190	0.77%
New Homes Bonus	319,882	319,882	413,765	93,883	29.35%
Rural Services Delivery Grant	547,359	547,359	547,359	0	0.00%
Services Grant	89,506	89,506	14,084	-75,422	-84.26%
Revenue Support Grant	98,468	98,468	104,990	6,522	6.62%
Funding Guarantee	485,358	485,358	542,644	57,286	11.80%
<b>Total</b>	<b>12,608,563</b>	<b>12,864,876</b>	<b>13,027,635</b>	<b>162,759</b>	<b>1.27%</b>

<sup>#</sup> local retained income values included instead of Government figures included within the Core Spending Power.

Therefore, overall it indicates that the Council is £163k better off than expected. Following significant change in the calculation of Business Rates, further analysis is required that might alter the above reported figure.

5.5.3. It must be noted, that the above numbers are provisional and are subject to final confirmation. In particular the increase in Business Rates should be viewed with a degree of caution as clarity around the implementation of split multipliers requires a software upgrade.

## 6. Housing Revenue Account

6.1. The HRA is a ring-fenced account within Mid Devon's financial accounting system. This means that a balanced budget must be set each year including all income and expenditure pertinent to the Council's landlord function and excluding all other income and expenditure (since this would be captured as part of the General Fund budget).

6.2. The proposals contained in this report result in a balanced budget for the HRA (see **Appendix 2**). The forecast budget surplus last reported to Cabinet stood at £285k. The following table shows the recommended actions necessary to move towards a balanced position:



Table 4 – Reconciliation of proposed balancing adjustments

Movements	Amount £k
<b>Budget Shortfall presented to December Cabinet</b>	<b>(285)</b>
Revise Rental charges uplift to 7.7%	(257)
Maintain provision for Bad Debts at current levels	137
Further investment in Maintenance of existing stock	170
Further investment in decarbonisation of existing stock	100
Further investment in the delivery of the Housing Development Programme	58
Finalisation of the recharges to HRA	78
<b>Budget Shortfall for 2024/25</b>	<b>0</b>

- 6.3. Following clarification from Government of the cap of Rental Increases being tied to September CPI + 1%, the uplift has increased in order to enable further investment to that will improve maintenance and increase the decarbonisation of the existing housing stock.
- 6.4. Given the higher than expected increase in rents, it is prudent to retain provision for bad debts at existing levels, rather than reduce them as previously planned.
- 6.5. It is planned to further increase staffing to ensure the Housing Development Programme is delivered at pace.
- 6.6. Finally, the recharge from the General Fund has been updated to reflect the final proposed balanced budget positions.
- 6.7. The final budget summary for the 2024/25 HRA is shown in **Appendix 2**. It will continue to provide for an enhanced housing service which will allow for more capital investment and additions to our existing stock.
- 6.8. A more detailed analysis of the proposed rent increase can be found in Appendix 3 that shows that the average housing rent will increase to £96.73 on a 52 week basis.
- 6.9. It has been deemed as prudent to maintain the HRA reserve balance at £2,000k and it is expected to remain so throughout 2024/25. At the start of 2023/24, other HRA reserves totalled £22,190k. This included £15,775k in the Housing Maintenance Fund (HMF); £653k in the Renewable Energy Fund (REF) and £419k in Major Repairs Reserve. It is intended that any expenditure funded from the REF monies be used on renewable energy schemes.
- 6.10. £950k is planned to be utilised from the HMF in order to support the purchase of St George's Court from 3Rivers as it will be significantly cheaper to fund through the use of existing balances than through fully borrowing in the current economic climate. The borrowing requirement will be met through internal

borrowing, given the prevailing interest rates at present, although this does reduce the value of temporary investments yielding interest. The longer term funding of the purchase will be kept under review and options will be considered once interest rates fall back to more affordable levels. These sites will provide a significant increase in the number of social homes.

- 6.11. The ambition to build a significant number of new properties continues across the 5-year Medium Term Financial Plan. The prospect of building new social housing raises the issue of significant future capital financing requirements. Budget at assumed interest rates of circa 5% is included within the future years of the MTFP to finance the build of a number of new highly efficient (zero carbon) modular buildings, subject to securing sufficient funding. Members are reminded that the constraint on increasing stock is still an issue of affordability, not the access to borrowing.
- 6.12. The new HRA MTFP summary position is shown in the table below. It shows a cumulative shortfall of £2,762k over the remaining four-years of this MTFP which remains to be addressed.

*Table 5 – Future Medium Term Financial Plan – Housing Revenue Account*

	2025/26 £k	2026/27 £k	2027/28 £k	2028/29 £k
<b>Annual Surplus / Deficit</b>	298	587	829	1,047
<b>Cumulative Surplus/Deficit</b>	<b>298</b>	<b>885</b>	<b>1,714</b>	<b>2,762</b>

## 7. Capital Programme

- 7.1. The Capital Programme encompasses a broad range of expenditure including operational assets, which will be used for more than one year; assets owned by other bodies, or loans and grants to other bodies enabling them to buy/build assets.
- 7.2. Full project approval is now requested at project inception. This is then profiled by spending managers as their best estimate of when spending will take place to form the Deliverable Budget. This gives a better indication of what is deliverable each year and will better inform our Treasury Management activities.
- 7.3. The proposed 2024/25 programme includes new projects expected to start in 2024/25 totalling £16,217k. In addition, there is £28,504k of slippage from 2023/24 as forecast at Quarter 2 but will be updated at outturn and £48,484k rolling forward from the current programme planned in future years. The nature of capital projects means that they span more than one year, therefore, within this overall approval, £37,642k is expected as the Deliverable Budget for 2024/25. In addition there is £85,998k within the Capital Programme with spend

profiled over future years. These projections are likely to alter, as we get closer to those years as greater information becomes available. Therefore, only the Capital Programme for 2024/25 is proposed for approval; the indicative future years are only for information and noting.

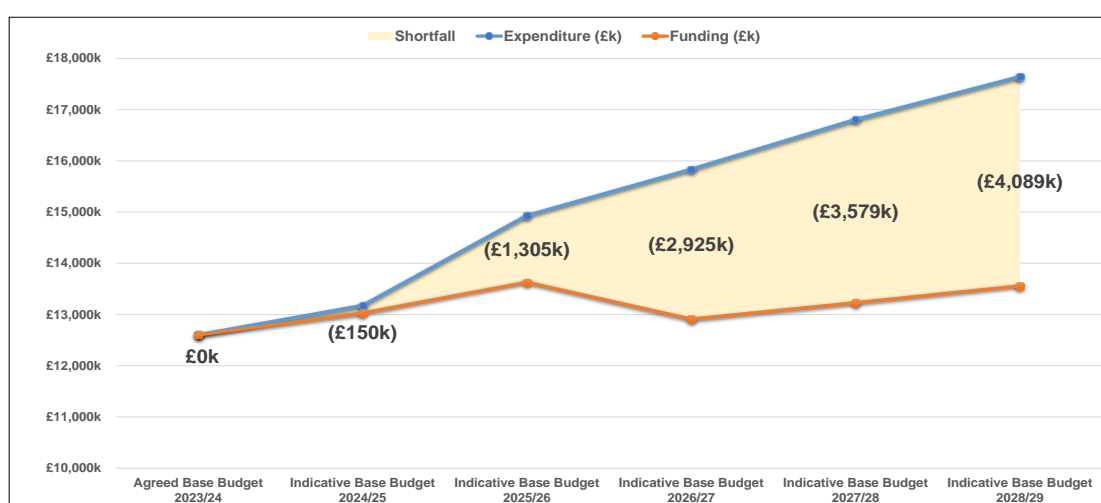
- 7.4. A summary of the Capital Programme expenditure and funding is included in **Appendix 4**. A summary overview is provided below:
- 7.5. The Deliverable Budget includes a significant investment in Housing through the HRA Housing delivery programme (£13,001k). A prudent assumption has been included for the utilisation of 1-4-1 receipts or for additional grant funding to be made available from Homes England; although a substantial element of the cost remains with the Council.
- 7.6. In addition, plans continue with the HIF projects in Cullompton at a cost of £29,679k. The latest Levelling-Up bid was again rejected (for a third time), therefore the associated funding is yet to be identified but the Council is actively pursuing all avenues. At present, the balance is assumed to be funded from Borrowing and so any additional grant successfully attracted to the project will significantly alter the financial assumption and forecast. As with all capital projects, these are all subject to a full appraisal.
- 7.7. The most significant funding source required to support the 2024/25 programme is the £14,992k of assumed borrowing from the Public Works Loan Board (PWLB). The associated capital financing costs are included within the relevant GF or HRA budget. However, it should be recognised that wherever possible, the Council will continue to maximise its usage of internal borrowing to minimise the financing costs. There is a further forecast use of 1-4-1 funding or Homes England Grant summing to £4,787k supporting the Housing Development Programme.
- 7.8. The projected level of usable capital receipts (this includes unringfenced useable capital receipts and capital receipts ringfenced for 1-4-1 replacement homes) available for 2024/25 is £918k. All other previously generated capital receipts have been used to balance the subsequent years of the MTFP.
- 7.9. The future year's Capital Programme shows increased investment in improving the energy efficiency of our property estate and the continuation of investment to increase the HRA Housing stock. The overall borrowing requirement rises accordingly and therefore so does the capital financing costs within the Revenue Budget. These projects will be further refined over time and will be subject to sufficient funding being available.
- 7.10. Any decision to increase the Capital Programme (subject to constraints within the financial rules) would require Full Council approval and be linked to the Corporate Plan priorities.

## 8. Future Funding Concerns/Cost Pressures

- 8.1. The new General Fund MTFP summary position is shown in the table below. It shows a cumulative shortfall of £4,089k over the remaining four-years of this MTFP which remains to be addressed.

Table 6 – Future Medium Term Financial Plan – General Fund

	2024/25 £k	2025/26 £k	2026/27 £k	2027/28 £k	2028/29 £k
<b>Annual Surplus / Deficit</b>	150	1,156	1,620	654	510
<b>Cumulative Surplus/Deficit</b>	<b>150</b>	<b>1,305</b>	<b>2,925</b>	<b>3,579</b>	<b>4,089</b>



- 8.2. The underlying budget shortfall falls largely in 2025/26 and 2026/27 due to inflation and reduced grant funding assumptions linked to long outstanding and overdue reforms to Local Government Funding mechanisms. The latter years are forecast to be broadly more manageable.
- 8.3. It is clear is that local authorities are in desperate need of a multi-year funding agreement rather than the current year-to-year arrangements which do not allow a considered medium term view of the resources that will be available, and, how these may be managed to optimise service provision within the scope of the Corporate Plan.

## 9. Next Steps

- 9.1. Moving forward, Members and Officers need to look to reduce the pressures over the next few years reflected in our MTFP and will need to identify ongoing savings to prevent the reliance upon reserves.

- 9.2. In order to conclude the statutory budget setting process, updates to the draft budget position will go through the PDG's and cabinet meetings before being agreed at Full Council on the 21 February 2024. During this period Officers will continue to identify and examine further savings possibilities that can reduce the longer term budget gap.

## **10. Conclusion**

### 10.1. General Fund

- 10.1.1. The General Fund budget has been set against a backdrop of over a decade of cuts to Public Sector funding, a global pandemic, a once in a generation Cost of Living Crisis, and the closure of the Council's subsidiary housing company. However, the proposed budget largely protects service delivery at current levels. However, further ongoing budget savings options will need to be identified to mitigate the underlying budget shortfall across the remainder of this MTFP.
- 10.1.2. Significant uncertainty remains for the future funding of Local Government. Further delays were announced to the outcomes of the Fair Funding Review and potential changes to both Business Rates and New Homes Bonus. These changes are now due in the next parliament.

### 10.2. HRA

- 10.2.1. The HRA budget for 2024/25 continues a marked increase in the overall number of units through significant investment. These investments continue across the whole 5-year MTFP period.
- 10.2.2. Rents are proposed to increase by 7.7% in line with the Government's guidance and neighbouring authorities. A prudent allowance has been made for voids and non-collection, in line with that applied to Council Tax, taking into account the current economic climate.
- 10.2.3. Similarly to the General Fund, the longer term position for the HRA shows the funding shortfall although not to the same degree. Work continues to refine the position in order to balance the budget for the years ahead.

### 10.3. Capital Programme

- 10.3.1. The Capital Programme for 2024/25 includes the continuation of significant investment in social and affordable housing. The capital MTFP also includes investment into improving the energy efficiency of our property estate, and in the economic regeneration of the district. However these projects, as with any capital project, are subject to the Council receiving sufficient grant funding and a robust business case.

10.3.2. Therefore assumptions are built in that the Council will be successful in attracting funding through the increasing number of bid schemes for grant funding. Additional borrowing is also projected which is forecast to increase our Capital Financing Requirement, although wherever possible, this will be mitigated through maximising the use of internal borrowing. The Revenue MTFP includes the associated financing implications.

10.3.3. It is, therefore, imperative that capital funds are only spent on those projects that enable the Council to deliver its Corporate Plan objectives, reduce operational cost, or generate a financial return.

#### 10.4. Future Budgets

10.4.1. The Council will need to prepare for the future in a timely manner and this is why it will continue to discuss how it can provide a wide range of services in a much reduced funding envelope. The process will continue to involve all staff, Members and our local residents/businesses.

### **Financial Implications**

This report updated the position of the GF and Capital Programme and proposes a balanced HRA budget for 2024/25 in line with the Corporate Plan priorities within existing financial resources without materially reducing service delivery. The Local Government Finance Act requires a balanced budget to be set by Friday 10 March 2023.

### **Legal Implications**

None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

### **Risk Assessment**

In order to comply with the requirement to set a balanced budget, management must ensure that the proposed savings are robust and achievable. We must also ensure that the assumptions we have used are realistic and prudent. Failure to set a robust deliverable budget puts the Council at risk of not being able to meet its commitments and casts doubt on its “going concern” and “Value for Money” status.

### **Impact on Climate Change**

The allocation of resources will impact upon the Council’s ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years. However, some provision has already been included in the base budget and significant further investment is included

within the Capital Programme, however this will be dependent upon full options appraisals and levels of Grant funding available.

### **Equalities Impact Assessment**

There are no Equalities Impact implications relating to the content of this report. All Policy Development Group meetings have considered and made decisions based on summary feedback from the recently completed resident's survey.

### **Relationship to Corporate Plan**

The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council's ongoing Corporate Plan priorities.

### **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** 19/12/2023

Agreed by or on behalf of the Section 151

**Date:** Andrew Jarrett

**Statutory Officer:** 19/12/2023

Agreed on behalf of the Monitoring Officer

**Date:** Maria De Leiburne

**Chief Officer:** 19/12/2023

Agreed by or on behalf of the Chief Executive/Corporate Director

**Date:** Stephen Walford

**Performance and risk:** 19/12/2023

Agreed on behalf of the Corporate Performance & Improvement Manager

**Date:** Dr Stephen Carr

**Cabinet member notified:** Yes

### **Section 4 - Contact Details and Background Papers**

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### **Background papers:**

- 2024/25 – 2028/29 Medium Term Financial Plan update (September Cabinet)
- 2024/25 – 2028/29 Medium Term Financial Plan update (October Cabinet)
- 2024/25 – 2028/29 Medium Term Financial Plan update (December Cabinet)