



Report to Scrutiny

Item Number:

Contains Confidential or Exempt Information

No

Subject of Report: 2024/25 Budget Strategy
Meeting: Overview and Scrutiny Committee
6 February 2024

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Scrutiny Officer: Sam Bailey, Head of Democratic Services
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Cabinet Responsibility: Councillor Steve Donnelly, Inclusive Economy
Director Responsibility: Emily Hill, Strategic Director of Resources

Brief: Overview and Scrutiny Committee consider the 2024/25 Budget Strategy Report that will be despatched on 30 January 2024 for Cabinet consideration on 7 February 2024.

Recommendations: The Committee considers and formally identifies any recommendations it wishes to make to Cabinet on 7 February 2024.

1. Recommendations

- 1.1. The committee is asked to consider the 7 February 2024 Cabinet report and to provide comments and recommendations to Cabinet.

2. Report Summary

- 2.1. The final Budget Strategy report for consideration by the Overview and Scrutiny Committee (OSC) will be [published](#) on 30 January 2024 as part of the 7 February 2024 Cabinet agenda.
- 2.2. The 2024/25 Budget Strategy report will review the Council's Medium Term Financial Strategy (MTFS) for the period 2024/25-2027/28, set out the Council's Revenue budget for 2024/25, provide information on the current approved Capital Programme and consider the adequacy of reserves. The report will also include the level of central government funding for 2024/25 as set out in the provisional local government finance settlement, Dedicated Schools Grant (DSG) and other grant funding. The strategy will also include a recommendation to Council on setting the Council Tax and Social Care precept level for 2024/25, as well as the Council's Council Tax Support scheme.
- 2.3. The Budget Strategy report also provides background on the overall economic and financial outlook, the Council's priorities and the budget planning process and it assesses various risks and other factors that impact on the Council's budget including information provided externally (e.g., Levies, Greater London Authority precept).
- 2.4. As part of the 2024/25 budget setting process, revenue savings identified will be presented to Cabinet on 7 February 2024 for approval. Alongside revenue budgets, new capital proposals will also be considered by Cabinet.
- 2.5. The budget report is a large document with several appendices. Some of the appendices set out strategies such as the Capital Strategy, Treasury Management Strategy and some set out more detail such as revenue savings, capital proposals, fees and charges etc. To assist members of OSC to navigate their way round the report, a list of the draft appendices is set out in Table 1.

Table 1: 2024/25 Budget Strategy Report Draft Appendices

| Appendix | Appendix Title |
|----------|--|
| 1 | Summary Revenue Budget 2024/25 |
| 2 | New Savings and pressures – 2024/25 to 2027/28 |
| 3 | 2024/25 Fees and Charges Schedule |

| Appendix | Appendix Title |
|----------|---|
| 4 | Council Tax Reduction Scheme |
| 5 | 2024/25 Parking Account |
| 6 | New Capital Schemes, Schemes to be Decommissioned & Re-profiling |
| 7 | Summary of Capital Programme 2022/23 to 2027/28 |
| 8 | 2024/25 Capital Strategy |
| 9 | Treasury Management Strategy Statement, MRP Statement and Annual Investment Statement |
| 10 | Reserves Forecast and Analysis over the MTFFS Period |
| 11 | Equality Analysis Assessment – Council Tax Increase |

3. Legal Implications

- 3.1. The Council has a statutory duty to set a balanced budget. The Cabinet and the Council also need to consider the reserve powers of the Secretary of State in relation to ‘excessive’ budget and council tax increases under the ‘capping’ provisions of the Local Government Finance Act 1992.

4. Financial Implications

- 4.1. The MTFFS and the annual budget planning process is key to the Council being able to set a balanced budget for the forthcoming year, it is also essential to plan ahead and the budget process also looks at the medium term. Through this process the Council reviews the resources which are available. These consist of Government Funding in the form of the Revenue Support Grant, Business Rates and from locally collected Council Tax. The MTFFS process also looks at the Council’s spending requirement considering pressures such as demographic growth and the level of savings that are required to achieve a balanced position.
- 4.2. The effective scrutiny of the Council’s budget process will be a key factor in ensuring that the Council’s resources have the optimum impact in terms of delivering the Council’s strategic objectives, and in demonstrating value for money.
- 4.3. The financial implications are set out in detail in the budget strategy report and its appendices.

5. Other Implications

- 5.1. The role of the Council's financial planning process is to support the Council's priorities that respond to residents' concerns and to ensure the delivery of high-quality, cost-effective services.
- 5.2. The Council's MTFs, budgets and capital programme are designed to deliver the Council's strategic priorities. The budget set for 2024/25 will address the delivery of national and local priorities.
- 5.3. The risks associated with delivering a balanced budget are set out in the main report

6. Appendices

- 6.1. The reports appendix will be made available when the Cabinet report is published on 30 January 2024 which can be accessed through the weblink below:

[2024/25 Budget Strategy Report and Appendices](#)

7. Background Papers

| Report Name | Date |
|---|------------------|
| Council Reports | |
| Treasury Management Mid-Year Update 2023/24 | 19 December 2023 |
| Cabinet Reports | |
| Housing Revenue Account (HRA) Business Plan 2024/25 | 7 February 2024 |
| Revised Council Tax Reduction scheme for 2023/24 | 7 December 2022 |
| Schools Forum Report | 18 January 2024 |
| Officer Decision Reports | |
| Collection Fund Estimated Deficit as at 31 March 2024 | 17 January 2024 |
| 2024/25 Council Tax Base | 11 January 2024 |

Consultation

| Name of consultee | Department | Date sent to consultee | Date response received from consultee | Comments appear in report para: |
|-------------------|---|------------------------|---------------------------------------|---------------------------------|
| Internal | | | | |
| Emily Hill | Strategic Director of Resources | | | |
| Helen Harris | Director of Legal and Democratic Services | | | |

Report History

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|-----------------------------|--|-------------------|
| Decision Type: | Urgency Item? No | |
| Authorised by Cabinet Date: | Report Deadline: | Date Report Sent: |
| Member: | | |
| Report no: | Report authors and contact queries: Kevin Kilburn, Interim Assistant Director Strategic Finance, 020 8825 7549 | |