

## **Item 7 – Financial Prospects and Budget Strategy 2024/25 and Beyond**

The attached report was considered by the Finance & Investment Advisory Committee on 5 September 2023. The relevant Minute extract is below.

### **Finance & Investment Advisory Committee (5 September 2023, Minute 21)**

The Portfolio Holder - Finance and Investment, presented the report and associated appendices, which was the first report of the Council's budget-setting process for 2024/25 onwards. It set out the financial pressures the Council was likely to face in the coming years and suggested an appropriate strategy, utilising the 10-year budget framework, which had proved successful to date and put the Council in a much stronger financial position than most other Councils. He explained that the 2024/25 budget setting process was likely to be undertaken during the most challenging financial position the Council had faced for a decade, and Members would be required to play a major role in reaching a successful outcome by putting forward their ideas.

The Chief Officer - Finance and Trading, informed Members that the Council faced an annual budget gap of £1.368 million and that there was an annual savings assumption of £100,000 included in the budget for 2024/25. As a result, Officers had begun the budget-setting process earlier this year. He explained that many of the reasons for the budget gap were raised with Members as part of the 2023/24 budget setting process, and they continued to impact the finances of the council. Growth and savings proposals were to be presented to the Advisory Committees and Cabinet, and Members would be fully engaged in this process. The recommendations would be considered as part of the process to tackle the budget gap. He then detailed the budget-setting timetable for the 2024/25 year.

Members discussed the report and took the opportunity to ask questions that focused around areas for savings, and the impact of the pay award on this year's budget setting process. The Chief Officer – Finance and Trading explained that the Council was undertaking a thorough review of fees and charges this year. In addition, at the time of writing the report, the pay award offer for 2023/24 was an average increase of 5.7% which was significantly higher than the budget assumption of 2%. The Council's budget setting process would continue on this assumption. This was a significant risk but further consideration would be given to the pay award if necessary once an agreement was reached.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that

- (a) the financial planning approach and principles set out in the report be endorsed;
- (b) the Advisory Committees be requested to review the Service Dashboards and advise Cabinet of possible growth and Savings options; and
- (c) officers be requested to continue to review the assumptions as detailed within the report and consider options to address the budget gap and report back to Cabinet on 14 December 2023.