

NORTH LINCOLNSHIRE COUNCIL

CABINET

2023/24 FINANCIAL POSITION UPDATE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. To provide an update on the Council's in-year financial position in 2023/24 as at quarter 2.
- 1.2. To note the latest revenue budget and approve the revised capital programme.
- 1.3. To set out the Council's updated medium term financial planning position.
- 1.4. To note the treasury management position against the Prudential Code Indicators as at quarter 2.

2. BACKGROUND INFORMATION

Financial Position 2023/24 (Quarter 2)

- 2.1. In February 2023, Council approved plans to invest £191.5m of revenue resource in 2023-24 and £126.0m of capital resource over a three-year period to support delivery of the Council plan, achieve its strategic objectives and legal duties for the benefit of residents and businesses. Revenue investment has subsequently increased to £191.6m following confirmation of the Public Health Grant for 2023/24 and the Capital programme to £139.2m following outturn 2022/23, in-year re-phasing and additional external funding.
- 2.2. In line with good financial management practices, the Council's use of resources is closely monitored and reported regularly to senior leadership and Cabinet. This report is the second formal report to Cabinet in 2023/24 providing information on the current in-year financial position at quarter two (up to 30th September 2023). It also provides an update on the next stages of financial planning for 2024/25 onwards, identifying risks and opportunities to the current Medium Term Financial Plan (MTFP) as a detailed refresh of the MTFP is underway.

Revenue Position - Quarter 2

- 2.3. The current forecast indicates that in 2023/24 net operating expenditure will be within the £191.6m approved investment allocation, with an **underspend of**

£1.2m forecast at quarter 2 (of which £0.5m is within core budgets and £0.7m funded through the Dedicated Schools Grant. Within the overall forecast are several notable variances across the Council:

- Employee costs – underspend £2.7m forecast due to vacancies across Council services (off-set partially by enhancements and agency staff costs to maintain priority services during absence/sickness). Forecasts are based on the agreed NJC pay offer, but the actual impact will be confirmed in the next payroll and reported at quarter 3.
 - Transport overspend £2.0m -the main pressures are the costs of an ageing fleet (£0.7m) and continued high levels of demand for SEN and fostering transport (£0.5m).
 - Supplies & Services £5.2m overspend- This is largely due to increased demand pressures in the Adults and Children’s services. However, these pressures will be largely offset by additional Government Grants and Client Contributions. The net pressure within Adults Services is around £0.7m. This is due to the increasing complexity of needs of service users.
 - Income - overall surplus income of £0.4m is forecast, mainly due to investment interest from cash balances and higher interest rates, additional income from increasing visitor/activity numbers in leisure and changes to grants. However, in some areas (e.g., planning, commercial properties and building control) income is down due in part to the current economic conditions and pressures on the cost of living.
 - Inflation – inflationary pressures are emerging (e.g., utilities and contracts). These pressures will continue to be subject to detailed monitoring over the coming months but are currently expected to be contained within budgeted inflation contingency.
 - Other – another key driver of the forecast at quarter 2 include additional borrowing costs (£0.6m) resulting from higher interest rates and the provision for principal repayment.
- 2.4. Officers will continue to monitor and review budgets over the remainder of the year, taking pro-active action to mitigate forecast overspends and stimulate income generation. The ongoing impact of these actions alongside increased certainty over the second half of the year have the potential to further reduce the final outturn (however, continuing inflationary uncertainties and increased demand from winter pressures in social care remain a risk). Any underspends within core budgets at outturn will be transferred to organisational reserves to strengthen financial resilience for future years where, in the medium term, a risk to financial sustainability remains.
- 2.5. Further detail on the revenue position at quarter 2 is provided at Appendix 1.

Capital Position – Quarter 2

- 2.6. The capital investment programme for 2023/24 amounted to £49.2m at quarter 1. Project rephasing and additional external funding have increased planned investment in 2023/24 by £4.9m to £54.1m. Additional external funding (Towns Fund and Disabled Facilities Grants) has increased the 3-year capital investment programme by £10.9m from £128.3m to £139.2m. The revised capital programme is detailed and presented for approval in Appendix 3.
- 2.7. At quarter 2 £16.m (34%) of planned investment has been spent and the forecast is currently for £57.4m investment in total (due to rephasing and additional external funding).
- 2.8. Further detail on the capital positions at quarter two is provided in Appendix1.

Financial Resilience Context

- 2.9. At quarter two it is anticipated that net expenditure will be within the approved budget for 2023/24, therefore maintaining financial resilience at levels assumed within Medium Term Financial Plan. However, risks to the Council's financial resilience remain in future years with the cost base at risk of increasing much faster than spending power. While planned use has been made of reserves in the short term (pending completion of transformational service delivery and savings plans which is on-going) it is not sustainable in the longer term. Therefore, the financial planning process and scrutiny and review of medium-term financial plans will seek to ensure a robust and realistic budget is achieved.

Medium Term Financial Plan

- 2.10. The Council's financial planning process, which will culminate in the 2024/27 MTFP being presented to Full Council in February 2024, is currently in development. Appendix 2 sets out an updated working position. There remain uncertainties around costs, income and funding which will be informed and updated by a number of factors over the coming months (e.g., Autumn Statement and Provisional Local Government Finance Settlement announcements by the Government, economic forecasts, issues emerging from in-year monitoring). At this stage the draft MTFP is based on the following key assumptions:
- Pay award for 2023/24 (now confirmed), 2024/25 currently budgeted on same basis as 2023/24, then 3%p.a. assumed from 2026/27
 - No further increase in activity volumes in adult social care or school transport.
 - That the national policy reforms such as adult social care system reforms and extended producer responsibility for packaging reforms (within waste services) will be cost neutral with government grant.

- Social Care Grants to continue at 2024/25 levels in 2025/26 onwards.
 - No additional national funding beyond that assumed in previous MTFP setting.
 - Collection rates for NNDR and Council Tax remain stable.
 - Council tax rate increase of 4.99% pa (the referendum combined CT/ASC limit).
 - Inflationary increases will be in line with existing budget assumptions.
- 2.11. Based on these assumptions the current position presents a financial challenge with a sustainable budget gap of £9.1m in 2024/25, increasing to £14.6m by 2025/26.. Further details, including the potential impact on reserves are provided in Appendix 2.
- 2.12. Financial planning is underpinned by the strategic principles that provide a framework for the organisation and the operating model of One Council, One Family, One Place. To address the sustainable budget challenge Directors and Assistant Directors as commissioners are taking a whole system transformational approach to plan the scale and scope of the offer required to achieve desired outcomes and action planning to achieve the fewest best interventions alongside enabling infrastructure and administration functions.
- 2.13. The funding element of the medium-term financial plan will be informed by confirmation of local government spending power through the Chancellor's budget statement on 22nd November 2023 and the Local Government Finance Settlement in mid/late December which will set out the outcome of spending plan reviews and any changes and assumptions.

Budget Policy Framework

- 2.14. In addition to reporting the latest revenue financial position, the local budgetary policy framework requires reports on changes to revenue and capital budgets within prescribed virement rules and monitoring of treasury management activity against the Prudential Code. Appendix 3 provides the latest information, indicating the required approval.

3. OPTIONS FOR CONSIDERATION

- 3.1. To receive an update on the financial position of the organisation and specifically.
- Approve the revised capital programme.

4. ANALYSIS OF OPTIONS

- 4.1. The analysis is outlined in the background information in section 2 and in the supporting appendices.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g., LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1. The potential financial implications of the risks identified within this report have been considered in detail within the relevant sections. It remains the

case that the Council does not have full control over its operating environment, and therefore needs to be adaptive and exert influence in the areas where it is able. The Council holds reserves to mitigate against expenditure and income shocks and other unforeseen events, to provide capacity to withstand shocks and time to plan cost base adjustments which reflect the emergent position.

6. OTHER RELEVANT IMPLICATIONS (e.g., CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1. Not applicable.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1. Not applicable.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1. Not applicable.

9. RECOMMENDATIONS

9.1. To note the 2023/24 financial position set out in the report.

9.2. To note the budget adjustments approved under delegated powers and the revised budget position for 2023/24.

9.3. To approve the revised capital programme 2023/26.

9.4. To note the progress against the approved Treasury Management Strategy and prudential code indicators

DIRECTOR: OUTCOMES

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Background Papers used in the preparation of this report.

Reports to Full Council:

- Financial Strategy, Budget 2023/24 and Medium-Term Financial Plan 2023/26
- Capital Investment Strategy and Capital Programme 2023/2026
- Treasury Management and Investment Strategy 2023/24

Reports to Cabinet:

- Review of year one of the Council Plan 2022-25 and the 2022-23 year-end financial position
- 2023/24 Financial Position Update Quarter 1

Other background papers:

- Q2 revenue and capital budget adjustments
- Technical Review – Economic Outlook

FINANCIAL POSITION 2023/24

1. Analysis of Revenue 2023/24

- 1.1 The Council's Net Operating Expenditure represents the day-to-day costs of council service delivery. The Council has a strong track record of managing financial risk, with continuous improvement and implementation of efficient delivery models that achieve the best outcomes for residents. Adapting to an ever-changing operating environment will continue to be essential and embodies the actions of a financially sustainable organisation.
- 1.2 The Council conducts an organisation wide financial management exercise that seeks to monitor progress against approved financial plans on a quarterly basis, with targeted monitoring occurring during intervening periods and focussing on high-risk and volatile areas. Quarter two provides an opportunity to review progress at the half year point following implementation of approved budgets and commencement of the in-year delivery of the plan. It also gives the opportunity to identify and need to understand any areas which are at risk of diverging from the assumed plan. Early identification of financial risks is essential in providing the organisation with time and opportunity to put into place mitigation measures to contribute towards a better financial outturn and secure the financial position in future years if impacts and risks are ongoing.
- 1.3 As summarised in the tables 1-3 below the revenue forecast at quarter 2 indicates net operating expenditure will be within the £191.6m approved investment allocation, with an underspend of £1.2m forecast at this halfway point in the financial year (£0.5m in core budgets and £0.7m in Dedicated Schools Grant funded budgets).

Table 1 – Revenue Net Operating Expenditure Forecast Management Accountability (based on Q2 financial management reporting) *

BY ACCOUNTABILITY	Budget	Forecast	Core Variance	DSG Variance
	£000	£000	£000	£000
Adults & Health				
Adult Social Services	27,176	27,860	684	
Adults Early Help & Prevention	30,154	30,123	(31)	
Integrated Health & Care	4,720	5,123	403	
Childrens & Families				
Education	4,807	4,758	620	(669)
Children's Help & Protection	10,984	10,041	(943)	
Children's Standards & Regulation	11,394	10,921	(473)	
Communities				
Community Enablement	5,203	5,241	38	
Community Resilience	3,625	3,768	143	
Place	40,607	42,035	1,428	
Public Protection	2,265	2,703	438	
Outcomes				
Governance & Partnerships	5,687	5,700	13	
Resources & Performance	9,958	8,739	(1,219)	
Organisational Development	8,025	7,667	(358)	
Public Health				
Public Health	7,393	6,897	(496)	
Central and Technical				
Central and Technical	19,610	18,861	(749)	
Net Operating Expenditure	191,608	190,437	(502)	(669)

Table 2 – Revenue Net Operating Expenditure Forecast – Council Priority (based on Q2 financial management reporting) *

BY PRIORITY	Budget	Forecast	Core Variance	DSG Variance
	£'000	£'000	£'000	£'000
Keeping People Safe and Well	96,529	95,291	(1,238)	0
Enabling Resilient & Flourishing Communities	40,409	40,613	204	0
Enabling Economic Growth & Renewal	7,425	8,925	2,170	(669)
Total Allocated to Priorities	144,363	144,829	1,136	(669)
Running the Business Well	47,245	45,608	(1,637)	0
Net Operating Expenditure	191,608	190,437	(502)	(669)

Table 3 – Spending Power Forecast (based on Q2 financial management reporting) *

SPENDING POWER	Budget	Forecast	Variance
	£000	£000	£000
Council Tax & Business Rates	(142,141)	(142,141)	0
Government Grants	(41,9)	(41,9)	0
Reserves	(7,567)	(7,567)	0
Total Spending Power	(191,608)	(191,608)	0

*Subject to rounding's

1.4 While the overall forecast is currently a £1.2m underspend in year this masks a number of notable variances emerging across the Council:

		Budget	Forecast	Variance
	Subjective Area	£000's	£000's	£000's
EXPENDITURE	Employee Costs	118,974	116,244	(2,730)
	Premises Related Expenditure	9,726	10,210	484
	Transport Related Expenditure	8,411	10,375	1,964
	Supplied & Services	25,715	30,936	5,221
	Third Party Payments	97,682	98,651	969
	Transfer Payments	42,894	42,842	(52)
	Support Services	13,255	12,799	(456)
	Capital Financing Costs	11,268	11,870	602
	Total (Expenditure)	327,925	333,927	6,002
INCOME	Government Grants	(76,422)	(80,020)	(3,598)
	Other Grants, Reimbursements & Contributions	(16,554)	(16,897)	(343)
	Customer & Client Receipts – Sales	(3,580)	(3,773)	(193)
	Customer & Client Receipts – Fees & Charges	(23,876)	(25,894)	(2,018)
	Customer & Client Receipts – Rents	(5,338)	(5,035)	303
	Interest	(525)	(1,601)	(1,076)
	Recharges	(10,022)	(10,270)	(248)
	Total (Income)	(136,317)	(143,489)	(7,172)
NET	191,608	190,437	(1,171)	

1.5 The forecast at quarter 2, while indicating that net operating expenditure will be contained within planned levels in-year it does represent an increase of £16.2m (9.2%) on the equivalent 2022/23 baseline. This increase is primarily driven by additional resources allocated in the 2023/24 budget to fund inflationary costs (inc. energy, fuel, pay & contracts) and increased demand for services (specifically in adult social care and school's transport). At quarter 2 risks to the budget remain for demand driven services as well as the wide-ranging impact of current economic uncertainties. The ongoing impact of all these factors will continue to be closely monitored alongside emerging issues to ensure the refresh of the Medium-Term Financial Plan for 2024/27 remains robust.

2. Analysis of Capital 2023/24

- 2.1 The Council plans to invest £139.2m of capital resource by 2025/26 to support delivery of the Council plan. Approval is sought for the latest capital investment plan set out in appendix 3 (table 3), with adjustments to the current approved programme contained in appendix 3 tables 4 and 5. The adjustments refine the programme and ensures it remains in alignment with current delivery profiles.
- 2.2 The council plans to invest £54.1m in 2023/24 (to date, £18.6m (34%) has been spent) as detailed in table 4 below.

Table 4 – Capital position 2023/24 forecast at Quarter 2 - Priority

CAPITAL – outturn forecast at Q2; budget reflects rephasing and additional funding included in Appendix 3	Budget £000's	Forecast Spend £000's	Year to Date Spend £000's	Year to Date Spend £000's
EXPENDITURE				
Keeping People Safe and Well	5,886	5,440	2,701	46%
Enabling Resilient and Flourishing Communities	11,390	10,272	3,341	29%
Enabling Economic Growth and Renewal	27,808	29,742	11,210	40%
Providing Value for Money for Local Taxpayers	9,033	9,279	1,368	15%
Total Investment	54,117	54,733	18,621	34%
CAPITAL FINANCING				
External & Grant Funding	35,585	35,936		
Council Resources	18,531	18,796		
Total Resources	54,117	54,733		

- 2.3 At quarter 2 the forecast in year-outturn in 2023/24 £54.7m (£0.6m variance). There are several reasons for the anticipated additional investment in-year:

- Rephasing required (£0.9m) mainly relating to the school's investment programme reflecting updated timescales and school site access arrangements (£1.0m into future years), revised fleet delivery timescales (£0.3m from 2024/25), and revised delivery timescales for other schemes (inc. Telecare - £0.1m into 2024/25, Community grants - £0.1m into 2024/25, and Community Buildings Investment - £0.1m from 2024/25).
- Net funding adjustments totalling £1.5m. This includes revised funding allocation for the Future High Street Fund to reflect ongoing costs of projects (£1.8m) and a reduction in North Lincs Northern Forest funding to reflect match funding requirements for awarded grants (£0.3m).

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Due to the nature of capital investment, there are likely to be further adjustments needed during the remainder of the financial year to ensure investment resource remains aligned to latest delivery timescales. These will be brought to Cabinet in future updates.

MEDIUM TERM FINANCIAL PLAN UPDATE

1.1 The Council's Budget Setting meeting for 2024/25 is scheduled for 22nd February 2024. The council has a statutory duty to set a balanced budget for 2024/25 alongside a robust medium term financial plan.

2. Assessment of Financial Resilience

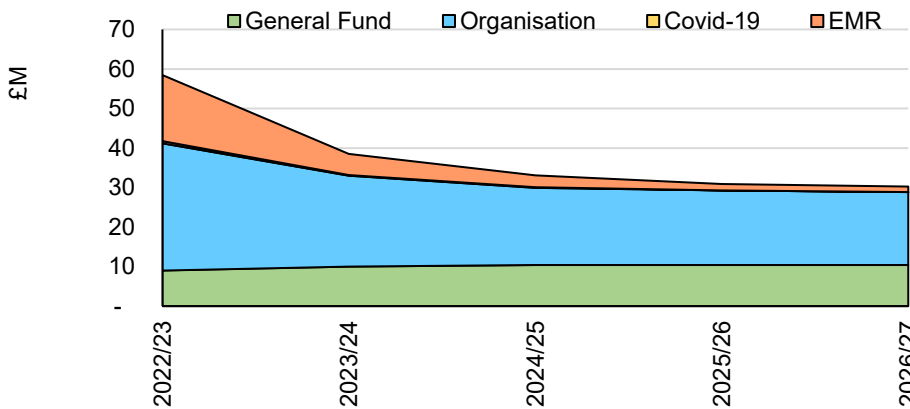
2.1 Financial resilience, the ability to weather financial shocks, is an important consideration for council sustainability. There are several indicators of the current health of council finances, which form part of the overall consideration in determining financial plans and budgets. In previous years the Council has embedded an effective culture of cost control and demand management, which has been invaluable to date and will continue to be required going forward.

2.2 While the quarter 2 position indicates that the delivery of services will be with the allocated budget there are risks to the Council's financial resilience in the future years. In the short to medium term the cost base is expected to increase at a much faster rate than core funding resulting in a sustainable budget gap. To ensure reserve levels are maintained to preserve resilience to shocks and to allow for short term planned use the delivery of transformational efficiencies and an ongoing reduction in the cost base is required from 2024/25 to maintain financial resilience in the coming years and avoid the financial issues increasingly being reported at other Local Authorities.

2.3 To ensure financial resilience in across the current year and into 2024/25, there is a planned use of reserves to balance budgets while cost reduction plans are developed (£10m in total - £7.6m in 2023/24 and £2.4m in 2024/25). However, without the delivery of transformational change, the use of reserves to fund recurring net expenditure moving forward will not be sustainable in the medium term. Projected reserves levels over the term of the medium-term financial plan are shown in chart 1 and based on the following key assumptions:

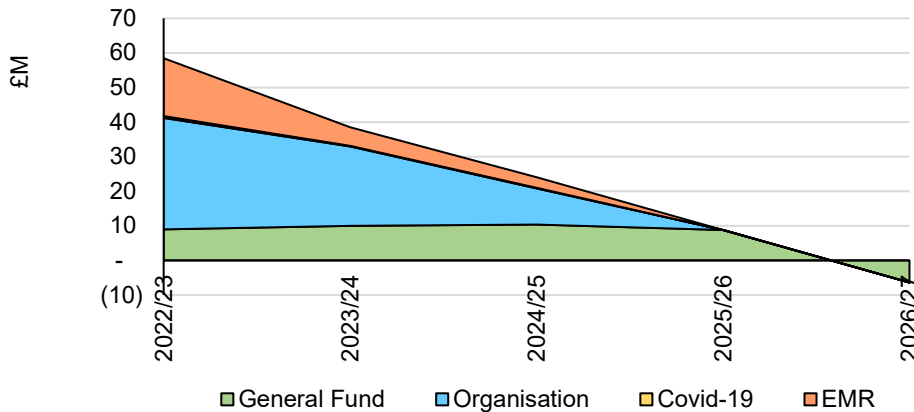
- All transformational savings and required cost reductions are achieved over the next 3 years.
- General Fund Balances are maintained at prudently assessed minimum levels.
- Service specific earmarked reserves are fully utilised in line with current spending plans.
- Strategic Reserves (including Risk and Transformation Reserve) provide a risk management mechanism for key strategic risks (including general shocks and uncertainties (e.g., inflation and other economic factors), fluctuations and risks inherent in the Retained Business Rate system, short term budget shortfalls while transformational plans are developed and implemented, and up-front costs required to realise transformational savings).

Chart 1 - Reserves Projection (exc schools)



2.4 As illustrated within Chart 1, delivery of the planned level of efficiencies will bring an element of financial stability that will maintain usable reserves. However, non-achievement of transformational change efficiencies would compromise the ability of reserves to balance any emerging gap. In the unlikely advent of such a worst case scenario, all earmarked and organisational reserves will be diminished by 2025/26, by which time the General Fund Balance also falls below prudently assessment minimum (c£10m) and becomes overdrawn by 2026/27. This is illustrated in Chart 2 below:

Chart 2 Reserves Projection - sustainable budget gap not achieved 2024/25-2026/27



3. Material Change of Circumstances

3.1 The external changes in the economic outlook continue to represent a material change of circumstances risk from when the Council set the previous medium term financial plan. The financial risks to the Council, before considering service specific changes, are inflation (energy, pay and contracts), the cost of borrowing and the potential implications for income generation and local taxation collection.

4. National Policy and Funding Prospects for North Lincolnshire Council

- 4.1 The Council operates within a public financing and delivery framework determined by the Government. The latest spending review in 2021 determined government departmental budgets up to 2024-25 in the context of the national economy and state of public finances. The Chancellor's budget statement on 22nd November will provide more certainty and context to the financial planning process.
- 4.2 The 2023/26 medium term financial plan assumed that spending power would increase in 2024/25 and 2025/26 to reflect an increase in council tax, business rates and grant funding (predominantly due to social care specific funding with associated spending requirements).
5. 2024/27 Medium Term Financial Plan (MTFP)
 - 5.1 The draft 2024-27 MTFP funding envelope assumptions model a best-case scenario of 7.9% growth over the next 3 years. This balances against net cost base projections of 15.5% increase over the same period. Due to general external pressures a sustainable budget shortfall of £9.1m is currently anticipated in 2024/25, increasing to £14.6m by 2025/26 (based on the assumptions set out at 2.8 of the main report), pending cost reductions in development.

Table 1 – Sustainable Budget Gap

Summary Position	2023/26 MTFP			2024/27 MTFP (DRAFT)		
	2024/25 £000's	2024/25 £000's	2024/25 £000's	2024/25 £000's	2024/25 £000's	2025/26 £000's
Net Operating Expenditure	204,709	210,209	-	208,751	215,027	221,273
Forecast Spending Power	(196,308)	(198,808)	-	(199,681)	(202,024)	(206,701)
Sustainable Budget Gap	(8,401)	(11,401)	-	(9,070)	(13,003)	(14,572)

5.2 There are other risks and opportunities that are being evaluated as part of the budget monitoring and financial planning process, not yet reflected in the revised medium term financial plan. These include:

- Vacancy levels across the Council persistently higher than budgeted.
- Increasing demand and activity pressures (including increasing complexity of need), specifically within adult social care and SEN/fostering transport.
- Ongoing impact of economic pressures on income, capital financing and demand for services.
- A revised Spending Review and Autumn Budget that prioritises funding for local government and/or mitigates against energy related inflation costs.

6. Actions and Next Steps

6.1 In response to the sustainable budget shortfall a whole council action planning approach continues. Council wide planning is underpinned by the operating model of One Council, One Family, One Place. Directors and Assistant Directors as commissioners are taking a whole system approach, planning the scale and scope of the offer required to achieve desired outcomes and minimising interventions alongside enabling infrastructure and administration functions. The activity to consider opportunities for achieving a financially sustainable plan and balanced budget includes:

- Redesigning the council for a new future: redefining purpose, organisational development, transformation, systems, and place leadership:
 - Piloting systems approach to care and support arrangements with partners
 - Reviewing utilisation of council and community assets
 - Modelling the financial impact of one council operating models
- Outcomes led investment – evaluation of impact and effectiveness of interventions and policy intent:

- Assessing impact of investment against outcomes balancing affordability and risk
 - Evaluating existing contracts and delivery models
- Efficiency and productivity opportunities, including commercial income and contract management:
- Re-assessing funding assumptions and optimising sources of income (including fee and charges)
 - Addressing historical variances (including zero based budget review of staffing)
 - Focus on achieving economy, efficiency, and effectiveness, supported by continually improving supporting information (e.g., activity data integration, contract spend, service integration and benchmarking)
- 6.2 The MTFP will set sustainable budget targets that will be challenging to achieve, even with a planned use of reserves, however our whole council commitment to proportionate financial management, stewardship and accountability will be fundamental to achieving this.
- 6.3 The timetable which will guide the financial planning process is as follows:

Timeline	Milestone Detail		Progress
Oct-Dec 2023	Senior Leadership, Services & Financial Services	<ul style="list-style-type: none"> • Reporting of current position and revision of opening position for 2023/26 • Budget Forums and co-production of long list of options for balanced budget • Business Partnering challenge and advice to Assistant Director and Accountable Managers in identifying cost base changes. • Financial Strategy finalisation 	In progress
22 nd Nov 2023	Chancellor of the Exchequer	Autumn Budget and Spending Review 2023	✓
11 th Dec 2023	Cabinet	2023/24 Q2 Financial Management and Medium-Term Financial Plan Update report to Cabinet	✓
4 th Dec 2023	Setting the Council Tax Base 2023/24 report to Full Council	Setting the Council Tax Base 2023/24 report to Full Council	On track
Dec 2023	Senior Leadership	Consider revised MTFP position	In progress
Dec 2023	Department of Levelling Up, Housing and Communities	Provisional Local Government Finance Settlement 2023/24	On track
Jan 2023	Submission to Department of Levelling Up, Housing and Communities	Setting the National Non-Domestic Tax Yield 2024/25 report	On track
Feb 2024	Governance Scrutiny panel.	Review of Budget and MTFP by Governance scrutiny panel.	On track
29 th Jan 2024	Cabinet	2023/24 Q3 Financial Management and Medium-Term Financial Plan Update report taken to Cabinet for endorsement	On track
22 nd Feb 2024	Full Council	Full Council budget setting meeting to consider: <ul style="list-style-type: none"> • Financial strategy, revenue budget 2024/25 & medium-term financial plan 2024/27 • Capital investment strategy 2024/27 • Treasury management strategy 2024/25 • Pay policy statement 2024/25 All other relevant resolutions (e.g., council tax)	On track

Table 1 – Revenue Investment (Accountability Structure) 2023/24

2023/24 REVENUE INVESTMENT: BY SERVICE	Q1 Revised Approved Budget £000's	Technical Budget Transfers ** £000's	Q2 Revised Approved Budget £000's
Adults & Health	62,050	0	62,050
Children & Families	27,185	0	27,185
Economy & Environment	50,835	(50,853)	0
Governance & Communities	24,473	(24,473)	0
Outcomes	0	23,555	23,555
Communities	0	51,815	51,815
Public Health	7,393	0	7,393
SERVICE TOTAL	171,936	62	171,998
Central & Technical	19,672	(62)	19,610
NET OPERATING EXPENDITURE	191,608	0	191,608

** Includes interim senior management arrangements

Table 2 – Revenue Investment (Council Plan Priority)

2023/24 REVENUE INVESTMENT: BY PRIORITY	Current Budget £000's
Keeping People Safe and Well	96,529
Enabling Resilient & Flourishing Communities	40,409
Enabling Economic Growth & Renewal	7,425
Providing Value for Money for Local Taxpayers	47,245
NET OPERATING EXPENDITURE	191,608

Table 3 – Capital Investment Programme Summary 2023-26

Proposed Programme	2023/24 £000's	2024/25 £000's	2025/26 £000's	Total £000's
Investment in Priority				
Keeping People Safe and Well	5,886	665	130	6,681
Enabling Resilient and Flourishing Communities	11,390	9,358	5,819	26,567
Enabling Economic Growth and Renewal	27,808	32,989	13,143	73,940
Running the Business Well	7,828	9,272	5,544	22,644
Total Investment	52,912	52,284	24,636	129,832
Capital Investment Allocation	1,205	5,000	3,200	9,405
Capital Investment Limit	54,117	57,284	27,836	139,237
Funding Analysis				
External & Grant Funding	35,585	39,644	14,708	89,937
Council Resources	18,531	17,640	13,128	49,299
Total	54,117	57,284	27,836	139,237

Table 4 – Externally Funded Schemes rephasing and net additional investment

Capital Investment	2023/24 £000's	2024/25 £000's	2025/26 £000's	Total £000's
Previously Approved Capital Programme	28,698	28,991	21,356	79,045
Disabled Facilities Grant	400	400	400	1,200
Flood and Drainage	(884)	275	0	(609)
Towns Fund	2,027	4,291	2,352	8,670
Community Equipment	475	471	600	1,546
Telecare	85	0	0	85
Levelling Up - Infrastructure Schemes	4,784	5,216	(10,000)	0
Total rephasing and additional investment	6,887	10,653	(6,648)	10,892
Revised externally funded budget	35,585	39,644	14,708	89,937

Table 5 – Internally Funded Schemes rephasing and net additional investment

Capital Investment	2023/24 £000's	2024/25 £000's	2025/26 £000's	Total £000's
Approved internally funded budget	20,487	17,540	11,272	49,299
Capital Investment Allocation	(615)	(200)	(300)	(1,115)
Community Buildings Invest. - Community Hubs	350	0	0	350
Feasibility Studies - Capital Receipts Flexibility	300	300	300	900
Flood and Drainage	(250)	100	106	(44)
Replacement HR/Payroll/Finance system	(121)	(100)	0	(221)
Towns Fund	(1,750)	0	1,750	0
Waste Transfer Station Enhancements	130	0	0	130
Total rephasing and additional investment	(1,956)	100	1,856	0
Revised internally funded budget	18,531	17,640	13,128	49,299

Table 6 – Treasury Prudential Indicators 2023/24

To be updated for Cabinet