

BRSC – 4 January 2024

Update on Draft Budget Position 2024-25



Draft Budget Summary



GENERAL FUND



CAPITAL PROGRAMME



DEDICATED SCHOOLS
GRANT

General Fund Draft Budget

- Provisional Local Government Finance Settlement was issued on the 18th December, after the draft budget had been published.
- The funding assumptions were therefore based on the Autumn Statement and advice from Pixel Consulting.
- Council Tax assumed to rise by the maximum available at 4.99%. (2.99%+2% ASC)
- The draft budget reflects significant increases to both demand (£15.972m) and inflation (£17.67m).
- Budget Reductions of £6.970m.
- Draft budget was balanced with an uncommitted contingency of £3.174m.

Provisional Settlement

Grant	2023/24 Budget	Draft 2024/25 Budget	Provisional Settlement 2024/25	Movement vs Draft Budget
	£M's	£M's	£M's	£M's
Settlement Funding Assessment (SFA)*	54.941	58.017	58.017	0.000
Grants Rolled In	1.381	0.000	0.000	0.000
Services Grant	1.879	1.568	0.296	1.272
Social Care Grant	12.452	14.768	14.465	0.303
Market Sustainability Fund	2.126	3.664	3.973	(0.309)
ASC Discharge Fund**	0.866	1.443	1.443	0.000
TOTAL Revenue Grant	73.465	79.460	78.194	1.266
New Homes Bonus	4.542	5.000	5.377	(0.377)

Provisional Settlement

Key Headlines?

- ❑ RSG was updated by CPI as expected in the draft budget.
- ❑ Business Rates – Multiplier has been separated between small business rates and Standard rates. Not material against draft budget
- ❑ Services Grant was cut nationally from £483m to £77m. This was significantly higher than expected and we have lost £1.272m more than allowed for in the draft budget.
- ❑ Social Care Grant was slightly less than expected (£303k), but this was offset by a £309k improvement on the Market Sustainability Grant.
- ❑ New Homes Bonus allocation was £5.377m and is being used to partly fund one off budget pressures and the capital programme.

Latest Position following the Settlement

	2024/25	2025/26	2026/27	2027/28	Total
MTFP – Draft Budget	0.000	4.135	18.051	2.725	24.912
<i>Changes:</i>					
Demand Pressures	1.080	0.000	0.000	0.000	1.080
Inflation Cost Pressures	0.250	0.003	0.003	0.003	0.260
Business Rates	(0.123)	(1.640)	1.847	(0.384)	(0.300)
Grant Funding	0.889	0.377	0.000	0.000	1.266
Contingency and Other Corporate	(2.096)	(0.377)	0.000	0.000	(2.474)
Draft Budget	0.000	2.498	19.902	2.345	24.744

Base Budget Contingency £2.242m for 2024/25

Key Issues

Final Settlement

Children's Social Care Placements

Pay award – assumed 3%

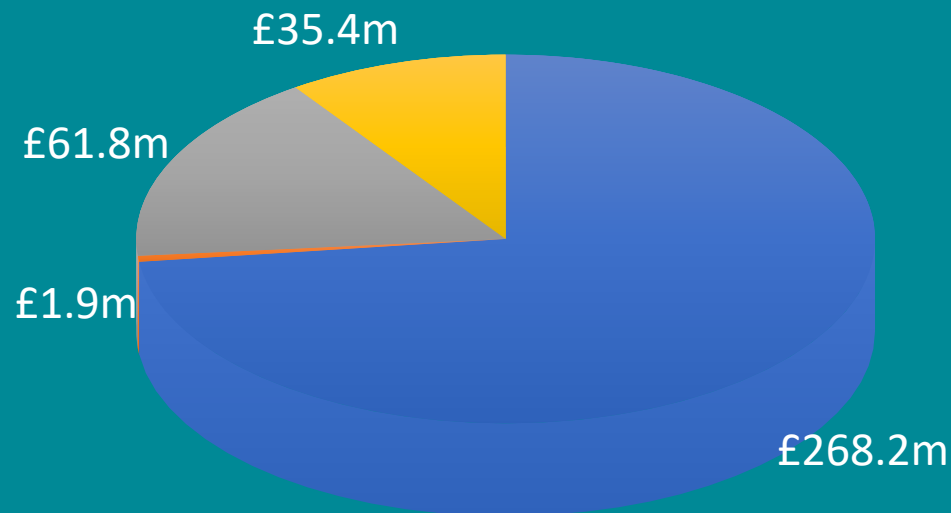
Other grants – Public Health & Homelessness Prevention grant

ASC grant baselined, only a 2-year settlement

Highways contract and Private Wire start

The Dedicated Schools Grant

The 2024/25 allocation has been confirmed at **£367m*** - an increase of **£24.0m from 2023/24**



■ Schools ■ Central ■ High Needs ■ Early Years

£8.2m increase from provisional settlement

Additional pupils - **£5.4m**
(858 mainstream and 62 special)

Early Years Extended Entitlement **£9.6m**

* Early Years block is always subject to recalculation depending on take up at January census counts

Capital Programme

Headlines

- Updated for changes to existing schemes, re-phasing and addition of 2028/29 for rolling programme schemes only.
- The HRA programme was presented to Cabinet on 5 December, reflecting the latest Business Plan.

Risks

- Cost of scheme delivery – market conditions, procurement risks and real cost of slippage
- Unfunded Schemes within the Pipeline programme

24/25 Programme & Funding

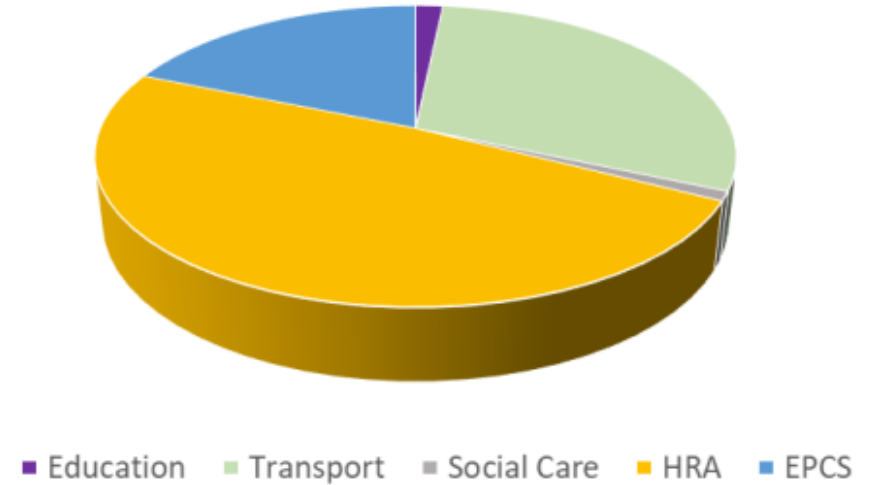
Key Projects:

HIF Highways & Infrastructure £54m,
Highways Asset Management £9m
Agora Regeneration and Infrastructure £16m,
MKWRP Investment £6m,
Lakes Regeneration £48m
Other HRA schemes & asset management £58m

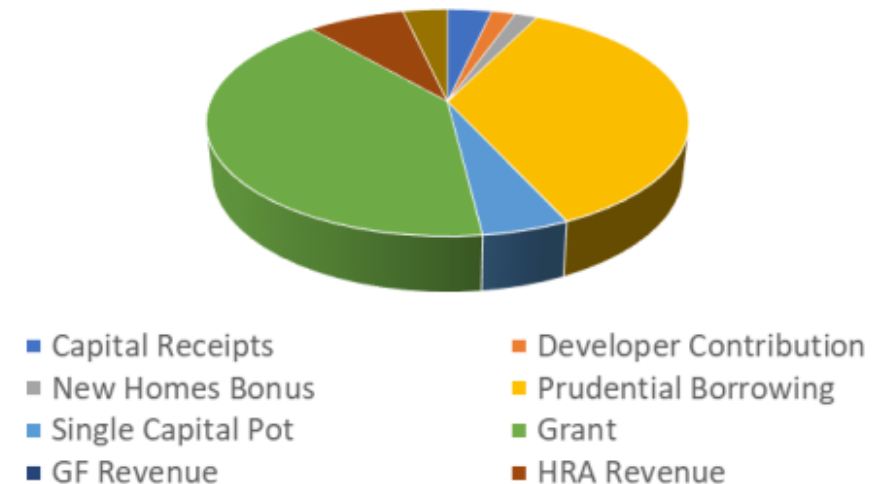
Majority of funding:

Grants £89m
Borrowing £78m (Includes £57m HRA)
HRA £25m
Tariff £4m

Capital Expenditure 2024/25



2024/25 Capital Programme Funding



Questions