

<b>CABINET</b>	<b>AGENDA ITEM No. 7</b>
<b>4 DECEMBER 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Service Director Financial Management & Deputy s151 Officer	
Cabinet Member(s) responsible:	Councillor John Howard, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Emma Riding, Service Director - Financial Management & Deputy s151 Officer Amanda Rose, Head of Communications	Tel. 452520

### **BUDGET CONSULTATION 2024/25 LAUNCH**

RECOMMENDATIONS	
<b>FROM: Cabinet Member for Finance and Corporate Governance</b>	<b>Deadline date: N/A</b>
<p>It is recommended that Cabinet approves:</p> <p>The launch of the Budget Consultation 2024/25 from 4 December 2023, closing on 7 January 2024.</p>	

#### **1.0 ORIGIN OF REPORT**

1.1 This report comes to Cabinet as part of the council’s process for developing a sustainable Medium Term Financial Strategy covering the period 2024-2027 and revenue budget for 2024/25.

#### **2.0 PURPOSE AND REASON FOR REPORT**

##### **Purpose**

2.1 This report is submitted for Cabinet to consider under Part 3, Section 3, Executive Delegation 3.2.1, “To take collective responsibility for the delivery of all strategic executive functions within the council’s major policy and budget framework and lead the council’s overall improvement programmes to delivery excellent services.”

2.2 In the event that Cabinet approves the recommendation, the Chair of the Growth, Resources and Communities Scrutiny Committee and the Monitoring Officer have agreed a waiver of call-in procedures for the decision to suspend the 3-day call-in period. This is in order for the public consultation to run for as long a period as possible, given the limited time period for the budget consultation and to ensure that those who wish to engage have every opportunity to do so before the budget is finalised.

#### **2.3 Overview**

In July, Cabinet considered the council’s forecast budget for 2024/25; this identified a forecast budget gap of approximately £5.1m, based on the latest funding and inflationary assumptions available at the time.

However, since then the council has been progressing its budget setting process. Although the development of savings, efficiencies and transformation is going in the positive direction, challenges remain. The rates of inflation have been reducing at a slower rate than expected, coupled with National Living Wage assumptions being higher than expected. Additionally demand for services such as Children’s Social Care and housing,

particularly temporary accommodation, has increased. This has meant that the forecast budget gap for 2024/25 has risen to £6.2m. This was outlined in the MTFS Q2 report to Cabinet in November.

The corporate leadership team will continue to work closely with our Cabinet and all members to identify ways that we can make savings and transform service delivery. This includes:

- Continuing to look for ways to reduce spend and get a better deal from those organisations we rely on to provide services, including our supply chain.
- Continuing to transform the way we deliver services, doing things differently in a way that improves outcomes and doing more for less or have somebody else doing it cheaper. We are bringing back in-house service delivery where it is in the best interests of the council to do so.
- By reducing our capital programme and selling our surplus land and buildings we have reduced our cost of borrowing.
- Stopping 'non vital' services or charging more - as part of this we must consider our statutory obligations to those who need our help and support the most.
- Reviewing the council's use of agency and interim staff and progressing to permanent recruitment where necessary more quickly.

The budget consultation sets out how these actions have taken shape and how we might need to change the way we deliver services in the coming financial year to be able to balance our budget and move a step closer to becoming a financially sustainable council.



The following timetable outlines the key meeting dates in relation to the Medium Term Financial Strategy and the budget for 2024/25:

Timescales	Update
10 July 2023 - Cabinet	MTFS Quarter 1 Update ✓
13 November 2023 - Cabinet	MTFS Quarter 2 Update ✓
4 December 2023 - Cabinet	Budget Consultation Launch
22 January 2024 - Joint Scrutiny 12 February 2024 - Cabinet 21 February 2024 - Council	<p><b>Final budget for 2024/25 and the associated strategies</b></p> <p>MTFS quarter 3 update Treasury management Capital Strategy Asset Management Plan Reserves Strategy Budget 2024/25 report, including:</p> <ul style="list-style-type: none"> <li>• Council tax resolution</li> <li>• Revenue and capital budgets for the following year</li> <li>• Section 25 Statement (LG Act 2003, robustness of estimates and adequacy of reserves)</li> </ul>

In addition to the above, all budget proposals including savings, investment and revised financial assumptions and consultation feedback are considered within the following groups:

- **Budget- Corporate Leadership Team (CLT)**- made up of the council’s corporate directors and finance officers as support
- **Cabinet Policy Forum (CPF)**- informal meeting of Cabinet
- **Financial Sustainability Working Group (FSWG)**- Cross-party working group focussed on supporting the delivery of financial sustainability for the council. The terms of reference for this group are included within the Budget Policy Framework Rules.

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	Yes - feedback gathered will be used to inform the Council Budget for 2024/25, to be approved at Council	If yes, date for Cabinet meeting	4 December 2023 & 12 February 2024
Date for relevant Council meeting	21 February 2024	Date for submission to Government Dept.	N/A

### 3.2 COUNCIL PRIORITIES

The budget consultation is being launched to gather the thoughts and views on the council’s services and proposed direction of travel for the 2024/25 budget. This supports all the council’s priorities, but forms a key element of the council’s budget setting process, therefore it is strongly geared towards enabling the council to deliver on the following priority:

- Supported by a Sustainable Future City Council - adjust how we work, serve and enable, informed by strong data and insight capability and led by a culture of strong leadership.

### 4.0 CONSULTATION

#### 4.1 Budget Consultation

This report seeks approval from Cabinet to launch the budget consultation 2024/25, which will be open from 4 December 2023 through to 7 January 2024.

The council will be seeking the views of residents, businesses, stakeholders and service users, and will do this by the following methods of consultation:

- Web-based form on the council website, which includes ten multiple choice and free text questions to gather the thoughts and views of residents.
- Social media will be used to reach out to as many people as possible, directing them to the details and web form.
- Hard copies of the budget consultation can be requested by emailing [communications@peterborough.gov.uk](mailto:communications@peterborough.gov.uk).
- Key stakeholders and community groups will be emailed with the budget consultation details and will be offered the opportunity to have a briefing on these.

The feedback received from the consultation will be considered by and reported to the meeting of Joint Scrutiny Committee on 22 January 2024, and Cabinet on 12 February 2024, before formally proposing a final budget for

2024/25 to Council on 21 February 2024.

### **Budget simulator**

Additionally, the council launched a budget simulator tool on its website for a six-week period from 19 September to 31 October 2024. The simulator has been set up in an easy-to-use format, allowing users to gain a greater understanding of what we spend our money on, and how reducing expenditure or investing in services has consequences, or benefits for the council and residents. Users have also had the opportunity to provide comments and ideas.

The budget consultation document in Appendix A outlines some of the key messages from this tool. This year the simulator received 342 responses, an 83% increase on last year.

## **5.0 ANTICIPATED OUTCOMES OR IMPACT**

5.1 For Cabinet to approve the launch of the budget consultation 2024/25 for residents, businesses and members to feed back their views on the council's services and spending priorities.

## **6.0 REASON FOR THE RECOMMENDATION**

6.1 This report is to seek Cabinet's approval to launch of the budget consultation 2024/25 on 4 December in order to receive feedback from residents, businesses and service users on the council's services and spending priorities.

## **7 ALTERNATIVE OPTIONS CONSIDERED**

7.1 No alternative option has been considered.

## **8.0 IMPLICATIONS**

### **Legal Implications**

8.1 This report is seeking approval to launch the budget consultation and there are no legal implications arising from what is proposed. This consultation is required so that Cabinet can consider feedback from residents, businesses and services users in advance of proposing a Budget for 2024/25.

### **8.2 Human Resources implications**

No specific implications in this report.

### **8.3 Equality Impact Assessments**

No specific implications in this report.

### **8.4 Carbon Impact Assessments**

No specific implications in this report.

## **9.0 BACKGROUND DOCUMENTS**

[Quarter 1 MTFS 2024-2027 report](#) (item 13)

[Quarter 2 MTFS 2024-2027 report](#) (item 10)

## **10.0 APPENDICES**

10.1 Appendix A – Budget consultation 2024/25