

Budget Scrutiny Task Group

Children's & Adults

21 November 2023

Agenda

Medium Term Financial Plan

- Overview
- Current Revenue Budget Position
- Capital Programme

Budget, key issues, initiatives, pressures and investments for:

- Adult Social Care and Public Health
- Children's Services

Background – General Fund revenue budget

- The overall MTFP position reported here reflects the currently proposed savings, pressures and investments put forward for consideration by Scrutiny. These are covered in more detail within the service specific presentations.
- New savings options totalling £24m have been identified over the three-year period, with £9.5m in 24/25. Investment proposals of £6.8m in 24/25 are also included.
- The most significant pressure for the Council is the increasing cost of temporary accommodation. This is projected to increase by £24.4m in 24/25 (£18.2m since July) and a further £3.7m in 25/26.
- Projected additional interest earnings of £15.2m in 24/25 will help to partially offset the TA pressure in the short term but not over the longer term given that interest rates are expected to reduce.
- The current budget position does not include outcomes from the Autumn Statement or the Local Government Finance Settlement due to be announced in December.

Timelines

Key timelines for the review and agreement of the budget position are set out below.

	Date
Budget Scrutiny Task Group Sessions	November 21 st , 23 rd and 27 th
Autumn Statement	November 22 nd
Local Government Finance Settlement announcement	December (Date TBC)
Budget Scrutiny Task Group Review	January 25 th
Cabinet	February 19 th
Council	March 6 th

Alignment to Fairer Westminster

The Council's strategy, delivery plan and financial planning are all aligned to ensure that the Council is able to achieve its Fairer Westminster outcomes (and corporate priorities) in a sustainable way.

- **The Fairer Westminster Strategy** (published Oct 2022) is the Council's 4-year vision for improving outcomes for its residents, local businesses and visitor experience.
- **The Fairer Westminster Delivery Plan** outlines the key actions that the Council is taking each year to work towards achieving its Fairer Westminster outcomes. Work is underway to update the 2023/24 Delivery Plan (published Mar 2023) for 2024/25 to ensure that the Council's work remains focused on delivering on the things that matter.
- **Medium-Term Financial Planning** (for 2024/25 to – 2026/27) will ensure that the Council can allocate its resources in a way that supports the achievement of Fairer Westminster actions set out in the Fairer Westminster Delivery Plan.

Alignment to Fairer Westminster

How it works in practice:

- All **proposals for new investments** (new spend) are scrutinised to ensure they are aligned to (and will further) the Council's strategic priorities.
- **Savings proposals** are carefully reviewed to make sure that they do not have any negative impact on the Council's ability to achieve its strategic priorities.
- **The financial planning timeline is synchronized with delivery plan development to** ensure that it is framed around the Council's priorities and that the delivery plan is realistic and achievable within the Council's budget and resources.

What we are looking for:

- **The medium-term financial plan** will act as the financial framework to support the delivery of Fairer Westminster.
- **The 2024/25 Fairer Westminster delivery plan** contains initiatives that are costed in detail and can be delivered within the Council's budget envelope.

MTFP Budget Gap to 2026/27

The budget position has been updated since the position reported to Cabinet in July. The table below summarises those changes. The budget gap has reduced by £3.6m from £48.4m to £44.8m.

	24/25 over 23/24	25/26 over 24/25	26/27 over 25/26	TOTAL
	£m	£m	£m	£m
JULY GAP	6.1	25.0	17.3	48.4
<u>Corporate Changes</u>				
TA pressures	18.2	3.7		21.9
Interest earnings	(15.2)	6.0	2.0	(7.2)
<u>New MTFP proposals</u>				
Savings	(9.5)	(8.7)	(5.7)	(24.0)
Other Pressures	4.0	0.7	(0.8)	3.9
Investments	6.8	(2.8)	(1.0)	3.0
Reserve Funding	(4.0)	2.5	1.5	0
Grant Funding	(1.2)			(1.2)
UPDATED BUDGET GAP	5.1	26.3	13.3	44.8

Note: the above does not take into account any decision on the level of council tax

Capital Programme

Capital Review Group (CRG) considered the new £62m net capital bids (gross expenditure £89m)

Themes for new projects were categorised as follows:

- Supporting Fairer Westminster Priorities (£16.4m)
- Health & Safety (£2.5m)
- Maintaining our assets (£10.9m)
- Income generation (£2m)
- Compliance / Contractual obligations (£28m)

CRG assessed each proposal on the following bases:

- Strategic alignment
- Value for money
- Capacity to deliver on profile
- External funding opportunities

Amended new schemes totalling £57m net expenditure are proposed following CRG review which are highlighted within the service budget presentations