

## Manchester City Council Report for Information

**Report to:** Resource and Governance Scrutiny Committee – 7 February 2023

**Subject:** Revenue Budget Update 2023/24

**Report of:** Deputy Chief Executive and City Treasurer

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### Summary

This report sets out the latest forecast revenue budget position, and the next steps. Following the provisional finance settlement, announced on 19 December, the Council is forecasting a balanced budget for 2023/24 and 2024/25. The financial risk around balancing the budget has moved to the next Spending review period 2025/26 where a shortfall of £58m is forecast. This reduces to £41m after the proposed use of £17m smoothing reserves.

In November 2022, scrutiny committees were presented with cuts and saving options totaling £42.3m over three years for consideration. The provisional settlement on 19 December reflected a change in government policy in relation to inflationary funding, Council Tax levels and social care funding which collectively provided more funding than initially expected. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed. The settlement has also given some scope for targeted investments which will put the council in a more sustainable position to face the next spending review in 2025.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals 15 February 2023.

### Recommendations

The Committee is recommended to:

- (1) consider and comment on the forecast medium term revenue budget
  - (2) consider the content of this report and comment on the proposed changes
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### Wards Affected: All

<b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
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The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.
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**Equality, Diversity and Inclusion** - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA).

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The effective use of resources underpins the Council’s activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
A highly skilled city: world class and home grown talent sustaining the city’s economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March

### **Financial Consequences – Capital**

None directly arising from this report.

**Contact Officers:**

Name: Carol Culley  
Position: Deputy Chief Executive and City Treasurer  
Tel: 0161 234 3406  
E-mail: carol.culley@manchester.gov.uk

Name: Tom Wilkinson  
Position: Deputy City Treasurer  
Tel: 0161 234 1017  
E-mail: tom.wilkinson@manchester.gov.uk

Name: Samantha McArdle  
Position: Corporate Finance Lead  
Telephone: 0161 234 3472  
E-mail: samantha.mcardle@manchester.gov.uk

**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

[Revenue Budget Report - Executive Meeting February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting February 2022](#)

[Revenue Budget Update - Resource and Governance Scrutiny – 8 November 2022](#)

[Resources and Governance Scrutiny Committee – 10 January 2023, Provisional local government finance settlement 2023/24 and budget](#)

## 1. Context and Background

- 1.1. The national funding outlook for Local Government has been more volatile than usual in the last year. The Spending Review in October 2021 set the expected spending envelope for the following three years. The national numbers indicated additional Local Government funding in 2022/23 then a flat settlement for the two years which followed. The Spending Review also announced significant Social Care Reforms to be implemented from October 2023 with associated funding of £3.6bn over three years which was widely considered inadequate. In just over a year since then there have been significant government policy changes.
- 1.2. The Russian invasion of Ukraine in February 2022 contributed to rapidly increasing inflation, from a forecast 2022/23 average CPI of 2.3% to an October 2022 peak of 11.1%. Throughout Summer 2022 government advised that despite the unprecedented cost increases to pay, utilities and prices there would be no additional Local Government funding to assist with these pressures. This was confirmed by the Truss government mini-budget 23 September 2022 which prioritised lowering taxes to stimulate the economy. This was followed by market instability and rhetoric around 'Austerity Round Two' from politicians, commentators and the Institute of Fiscal Studies.
- 1.3. In this context the Council identified cuts and efficiencies totalling £42.3m over three years for consideration by November scrutiny committees. It was anticipated that further cuts and savings may be required depending on the outcome of the provisional settlement.
- 1.4. Following the appointment of a new Prime Minister an Autumn Statement was announced for 17 November 2022 followed by a local government finance policy statement on 12 December 2022 and the provisional local government finance statement published on 19 December 2022.
- 1.5. The Autumn Statement and Provisional Finance Settlement are considered a holding position for the public finances, designed for stability and certainty for planning purposes and to promote fiscal sustainability within available resources. The public sector finances "black hole" outlined by the Government will be dealt with over 4 years, with the first two years addressed through mainly tax increases and the final two years through public sector spending cuts.
- 1.6. The Policy statement and provisional settlement did however, set out a welcome change in direction which included:
  - Funding for pay and inflation pressures
  - New Social Care grants to support hospital discharge and the care market (ringfenced with conditions)
  - ASC reforms delayed at least 2 years and funding repurposed for social care pressures
  - Confirmed current 100% business rates retention areas will continue for 2023-24

- 1.7. In addition, the referendum limit for Council Tax increases was increased to 5% for local Authorities with Adult Social Care responsibilities. The government figures assume the full increase will be taken.
- 1.8. The outcome of the provisional local government finance settlement was reported to this committee on 10 January 2023 and summarised the proposed funding figures for the 2023/24 financial year. The Provisional Finance Settlement, is for one year only, setting the proposed allocations for 2023/24, accompanied by a fairly full set of policy principles for 2024/25.
- 1.9. In November 2022, all scrutiny committees were updated with cuts, saving and investment options to consider before the publishing of the finance settlement. These reports and the periodic budget monitoring reports explained that the Council is facing significant inflationary and demand pressures in both the current financial year and next. The provisional settlement has in part addressed some of these pressures and therefore improved the council's position for the next two years, providing some breathing space before funding risks re-emerge from 2025/26, when public sector spending cuts are expected as part of the four-year plan outlined by the Government.
- 1.10. The recent pledge to reduce the levels of government debt reinforce the expectation that there will be future cuts. The Council's proposed strategy is to use any additional funding, after covering new priority investment requirements and demand pressures, to help close the budget gap in future years and reduce the need for significant cuts in 2025/26 and beyond.

## **2. Medium Term Budget position reported to Resources and Governance Scrutiny Committee 8 November 2022**

- 2.1. Prior to the Autumn Statement Announcements, the Council was facing a budget gap of £6.7m next year, increasing to £54m by 2025/26.

Table One: Summary Budget position presented to Resources and Governance scrutiny 8 November 2022

	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000
<b>Resources Available</b>			
Business Rates / Settlement Related Funding	348,497	344,090	346,503
Council Tax	211,450	219,348	228,187
Grants and other External Funding	101,872	89,374	80,461
Use of Reserves	13,584	11,703	6,222
<b>Total Resources Available</b>	<b>675,403</b>	<b>664,515</b>	<b>661,373</b>
<b>Resources Required</b>			
Corporate Costs	111,763	116,403	113,122
Directorate Costs	599,302	625,959	651,406
<b>Total Resources Required</b>	<b>711,065</b>	<b>742,362</b>	<b>764,528</b>
<b>Shortfall</b>	<b>35,662</b>	<b>77,847</b>	<b>103,155</b>
New budget pressures	7,785	7,785	8,785
<b>Shortfall including new budget pressures</b>	<b>43,447</b>	<b>85,632</b>	<b>111,940</b>
Use of Smoothing and Airport Reserve	(15,641)	(16,177)	(15,738)
<b>Gap after use of Smoothing Reserves and emerging pressures</b>	<b>27,806</b>	<b>69,455</b>	<b>96,202</b>
Savings options identified to date	(21,135)	(32,738)	(42,320)
<b>Remaining Shortfall</b>	<b>6,671</b>	<b>36,717</b>	<b>53,882</b>

### 3. Changes to the position following the Autumn Statement and Provisional Finance Settlement

3.1. As outlined in the 10 January report to Resources and Scrutiny the broad approach in the settlement is based on:

- A uniform roll-over of the core funding elements with inflationary increases to Revenue Support Grant and business Rates related income.
- New grants and expectations for social care
- Increased Council Tax referendum limits

3.2. Social Care reform is deferred until at least October 2025 and the wider, long anticipated reforms to the way local government is financed are also deferred, until at least 2025/26. The period leading up to the General Election, expected by December 2024, provides an opportunity to consider the broader changes that are needed.

3.3. The additional funding streams announced as part of the settlement, come with a number of spend requirements, and additional pressures have emerged since the November scrutiny report. The following paragraphs set out the additional funding, investment requirements and changes to savings and smoothing reserve use to arrive at an updated financial position for the Council.

## **Core Funding**

- 3.4. Business Rates Retention – The Government has changed the inflation measure used to increase the local government funding amount within the Settlement Funding Amount (SFA). This was set at 2.6% in the SR envelope. The September CPI figure of 10.1% has been used instead, which represents a material increase in the funding available to local authorities. Alongside this Revenue Support Grant (RSG) has increased by 10.1%. This gives the Council an additional £25.2m in settlement funding compared to the original budget.
- 3.5. Services Grant has been reduced from £822m to £464m, this equates to a reduction of £2.4m for the Council. The New Homes Bonus initiative has continued for one more year with the design unchanged, the Council had budgeted £5m, an additional £1.6m will be received.
- 3.6. The additional funding in the Provisional Finance Settlement must be looked at alongside the corporate cost requirements and the heavy reliance on the budget smoothing reserve to balance the budget position. The following additional costs need to be taken into account in the budget process.
- CPI is currently over 10% and predicted to average 7.4% next year (higher than previous forecast). The previous inflation provision is not high enough to cover this and the associated demand on major contracts and will need increasing. It is proposed an additional £4m is allowed for in the updated position.
  - There are specific demand and inflation pressures facing the Homelessness budgets. Government refuge and asylum schemes are placing pressure on the Manchester temporary accommodation market, driving up costs, resulting in a £4m fee uplift requirement for homelessness Temporary Accommodation.
  - Early information on pay negotiations suggests an average pay increase of between 5% and 6% next year which is higher than the 4% allowed for. It is proposed a further £3.5m is provided.
- 3.7. The settlement also gave some scope for targeted investments which will put the council in a more sustainable position to face the next spending review in 2025 and to revisit the scale and quantum of the proposed cuts and savings measures. The January budget report to Resources and Governance Scrutiny Committee set out a series of principles to frame the finalising the revenue budget:
- £16m of reserves per annum were being used to close the pre Settlement budget gap. Reserves should be a last resort and the Provisional Finance Settlement has pushed all the risks to 2025/26. The planned use of reserves needs amending to reflect the risks in these years. The use of the smoothing reserve will be rephased to support a sustainable position, particularly to support closing the budget gap in 2024/25 and to deal with the significant risks faced in 2025 and beyond.
  - Recommendation to increase the Council Tax precept so this is reflected in the base, but that this is alongside targeted support to residents who are most vulnerable, and the investment will be included within the approach to

care provider fee setting for 2023/24, to support the delivery of market sustainability plans. A second phase of the budget consultation is planned.

- Adult Social Care - to put the budget on a sustainable footing, appropriate costs such as demography and real living wage are met from the additional ringfenced grant funding.
- Where there are additional costs and requirements the grants are passported through to meet them and the funding is used to provide investment to meet real pressures, social care improvement priorities and invest to save approach which will help the future position

3.8. These principles have been used to inform the final budget recommendations to Budget Executive on 15 February and Budget Council on 3 March. This report has also updated the position for the key decisions taken in January on the Collection Fund Surplus for 2022/23 and Council Tax and Business Rates base for 2023/24.

### ***Council Tax***

3.9. The settlement assumes Councils with Social care responsibilities will increase council tax up to the referendum limit of 5%, increased from a limit of 3% before the settlement. The government has assumed in its settlement calculations that all eligible local authorities will take the maximum increase allowed without a referendum. There is a difficult balance between protecting residents and maximising the income available to the Council both next year and longer term. If Council Tax is not increased at this level the revenue stream is permanently lost and has a cumulative compounding impact as the base grows in future years. Manchester currently has the lowest ratio of Council Tax to funding of all metropolitan authorities. This has a disproportionate impact on the Council when government funding cuts are made.

3.10. If this flexibility is taken by the Council, it would raise £4.055m next year and a further £4.5m in 2024/25. It is important to maximise the ongoing funding in the budget base. This is particularly important given the proposed public sector spending cuts from 2025/26 as set out in the Autumn Statement and uncertainty around the allocation of the Social Care grant in light of the deferred Adult Social Care reforms creating a new funding 'cliff edge' from 2025/26.

3.11. If the general precept is increased it could fund additional investment to provide targeted support for vulnerable residents, including help with outstanding debt on council tax bills and support through the Voluntary, Community and Social Enterprise (VCSE) sector. Further details are provided within the Corporate Core budget report.

3.12. If the Social Care precept is supported the expectation is that this additional funding is considered alongside the approach to care provider fee setting for 2023/24, to ensure social care provider sustainability. Further details are provided in the Health and Social Care Scrutiny budget report.

- 3.13. It is recommended that as part of the budget setting process the full general fund precept of 2.99% and social care precept of 2% are taken.

### ***Social Care Funding and Investment***

- 3.14. In total there is a total increase of £25.7m in 2023/24 rising to £38.7m in 2024/25 in social care funding. The grant conditions associated with this additional funding are expected early 2023 and will be heavily focused on how the social care system will support the NHS.
- 3.15. *Additional £4.4m rising to £7.5m - Market Sustainability and Improvement Grant* - This grant is intended to assist local authorities to make tangible improvements to adult social care, and, in particular to address: hospital discharge delays; social care waiting times; low fee rates; workforce pressures; and to promote technological innovation in the sector. This grant will have reporting requirements, expected to be published in January. The grant will be distributed using the 2013/14 adult social care relative needs formula and is ringfenced. The funding is additional to the £1.8m received in 2022/23 which is also rolled-into 2023/24.
- 3.16. *£4.451m increasing to £7.420m ASC Discharge Fund* - This is intended to form part of Better Care Fund plans, aimed at reducing delayed transfers of care and the funding will need to be pooled with the NHS. The NHS is receiving an equal amount to also put into Better Care Fund plans. This is being allocated on iBCF share in 2022/23, resulting in an allocation of approx. 1.4%. The fund will grow by a further £200m on the local government side in 2024/25, with no change to distribution methodology expected.
- 3.17. *£18.8m rising to £25.7m - Social Care Grant* which is ringfenced for adults and children's social care services. This is the funding originally identified for social care reforms which have been deferred. This is not guaranteed beyond the current spending review period and therefore uncertainty around what will happen to this funding post 2024/25. The original budget assumptions included a £2m grant uplift for Improved Better Care Fund (iBCF) which has not materialised, this grant can be used to support the costs this would have funded.

### ***Cuts and Savings***

- 3.18. The settlement provided some opportunity for reducing the quantum and timing of some of the savings which had previously been considered. It is now proposed that options of £36.2m are progressed, a reduction of £6.1m overall.
- 3.19. Details of the proposed changes are included in the relevant scrutiny committee report.

*Table Two: Revised Savings proposals*

Directorate	Amount of Saving				Indicative FTE Impact
	2023/24	2024/25	2025/26	Total	
	£'000	£'000	£'000	£'000	
Adults Services	4,142	2,200	2,200	<b>8,542</b>	-
Public Health	730	-	-	<b>730</b>	3
Children Services	4,411	3,920	3,394	<b>11,725</b>	-
Neighbourhoods	545	1,135	1,772	<b>3,452</b>	3
Homelessness	1,244	2,070	1,332	<b>4,646</b>	-
Corporate Core	3,365	677	1,089	<b>5,131</b>	53
Growth and Development	959	170	815	<b>1,944</b>	1
<b>Total profiled savings options</b>	<b>15,396</b>	<b>10,172</b>	<b>10,602</b>	<b>36,170</b>	<b>60</b>

### ***Additional Investment***

3.20. The budget includes additional investment proposals in the following areas. Full details are included in the relevant scrutiny committee reports.

- Cleaning the city and infrastructure planning – additional investment to ensure there are the resources to clean the city and district centres and effectively resource our infrastructure planning including the City Centre and Active Travel strategies.
- Aligned to this will be investment in the capital programme for community and neighbourhood assets and the establishment of a small fund to facilitate small emergency repairs or improvements, for example to fix a broken swing or add a bin to the collection.
- Investment in homelessness service to meet increased demand and increased dispersed accommodation fees
- Additional investment in Children’s Services to meet higher placement costs and invest in resilience and prevention.
- Investment in adult social care to strengthen practice and investing in preventative services
- Additional funding for the cyber security team
- Additional funding for improved support to our disabled staff

### ***Smoothing Reserve***

3.21. £16m of reserves per annum for three years were being used to close the pre Settlement budget gap. Reserves should be a last resort and the Provisional Finance Settlement has pushed the main funding risks to 2025/26. The planned use of reserves needs amending to reflect these changes in risk. The use of the smoothing reserve will be rephased to support a sustainable position, particularly to support closing the budget gap in 2024/25 and to deal expected funding shortfalls in 2025 and beyond.

3.22. The table below summarises the impact of these changes on the Councils budget position.

Table Three: Summary of changes post settlement

	2023 / 24	2024 / 25	2025/26
	£'000	£'000	£'000
<b>Forecast Gap reported to Nov RAGOS after savings</b>	<b>6,671</b>	<b>36,717</b>	<b>53,883</b>
Remove assumed use of Smoothing reserves	15,641	16,177	15,738
<b>Gap at Nov 2022 RAGOS without smoothing reserves</b>	<b>22,312</b>	<b>52,894</b>	<b>69,621</b>
<b>Updates to Corporate Budgets:</b>			
Reduced Pension contribution	(1,200)	(3,400)	(3,400)
Additional return of Waste reserves £2m	(360)		
Updated transport levy forecasts		192	1,175
Updated waste levy forecasts	(1,345)	(1,386)	(439)
Updated Business Rates position	(290)	(204)	745
Updated Council Tax position	(2,463)	(138)	(144)
Transfer to reserve	1,335	0	0
<b>Additional Settlement Funding:</b>			
Baseline Funding Level and RSG	(25,212)	(35,454)	(37,858)
Additional NHB Grant	(1,637)		
Reduced Services grant	2,380	2,380	2,380
Increased budget for pay award	3,445	3,045	2,345
Non pay inflation	4,000	6,000	6,000
Investment in cyber security	250	250	250
Improved support for disabled staff	250	250	250
Cleaning city centre and districts and improved infrastructure planning	1,500	1,500	1,500
Dispersed uplift Homelessness	4,000	4,000	4,000
<b>Additional Council Tax Funding:</b>			
Council Tax increase to 4.99%	(4,055)	(8,602)	(8,948)
Targeted support for vulnerable residents	2,000	2,000	2,000
Support the adult social care market	2,027	4,301	4,301
<b>Additional Social Care Funding:</b>			
Additional Social Care Grants	(25,665)	(38,689)	(38,689)
ASC Discharge Fund (to be pooled in BCF )	4,451	7,420	7,420
Market Sustainability and Improvement Spend	4,443	7,548	7,548
Independent Living Fund	2,000	2,000	2,000
Reduced Education Services Grant	145	145	145
Children's investment / pressures	3,300	3,300	3,300
Social Care Reforms (high level estimate)			25,721
<b>Revised forecast gap / (surplus)</b>	<b>(4,389)</b>	<b>9,352</b>	<b>51,223</b>
Proposed adjustments to savings	5,739	7,170	6,150
Revised use of smoothing reserves	(1,350)	(16,522)	(17,000)
<b>Revised forecast gap / (surplus)</b>	<b>0</b>	<b>0</b>	<b>40,373</b>

#### 4. Updated Medium Term Budget position

- 4.1. The final budget position for 2023/24 and future years will be confirmed at February 2023 Executive. This will be after the Final Finance Settlement is received, expected early February.
- 4.2. The indicative medium-term position is shown in the table below, showing the planned use of reserves and the level of savings proposals identified to date.

*Table Four: Medium term forecast summarising current budget proposals and use of reserves*

	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000
<b>Resources Available</b>			
Business Rates / Settlement Related Funding	374,854	380,005	386,872
Council Tax	217,968	228,087	237,279
Grants and other External Funding	126,153	127,682	115,769
Use of Reserves	15,884	15,003	10,522
<b>Total Resources Available</b>	<b>734,859</b>	<b>750,777</b>	<b>750,442</b>
<b>Resources Required</b>			
<i>Corporate Costs</i>	111,493	114,949	113,598
<i>Directorate Costs</i>	640,113	677,919	730,387
<b>Total Resources Required</b>	<b>751,606</b>	<b>792,868</b>	<b>843,985</b>
<b>Shortfall</b>	<b>16,747</b>	<b>42,091</b>	<b>93,543</b>
Use of Smoothing Reserves	(1,350)	(16,523)	(17,000)
<b>Gap after use of Smoothing Reserves</b>	<b>15,397</b>	<b>25,568</b>	<b>76,543</b>
Savings options identified	(15,396)	(25,568)	(36,170)
<b>Remaining Shortfall</b>	<b>0</b>	<b>0</b>	<b>40,373</b>

- 4.3. The government announcements have pushed the difficult financial decisions to 2025/26. This settlement does not provide certainty or financial security for councils over the longer term. It gives the sector another one-year deal, confirms further delays to the Fair Funding Review and reset of business rates. Significant risks remain including a potential reallocation of the social care grant, reintroduction of the funding reforms and anticipated cuts in funding post 2024/25. Work will start in 2023 on identifying the more difficult cuts that will be required to close the 2025/26 and beyond budget gap.

#### 5. Workforce Implications

- 5.1. The indicative workforce reduction linked to the savings proposals has reduced from 70 Full-Time Equivalent (FTE) over the three years to 60. Of these posts 53 relate to the Corporate Core directorate and back-office functions. It is anticipated that this will be managed via natural turnover and vacancies and that there will be no requirement for any formal voluntary early retirement or voluntary severance scheme.

## **6. Equality and Anti-Poverty Impact Assessments**

- 6.1. Consideration has been given to how the individual proposed savings could impact on different protected or disadvantaged groups. All proposals are therefore being reviewed for their likely impact on these groups and where applicable, proposals have been subject to completion of an individual Equality Impact Assessment (EqIA).
- 6.2. Work is underway to assess the equalities and anti-poverty impact of the budget as a whole. This will be finalised for Budget Scrutiny on 27 February 2023.

## **7. Consultation**

- 7.1. There is a statutory requirement to consult with business rates payers. Public consultation on proposed Council Tax levels and the savings and cuts measures put forward by officers opened on Monday 7 November and ran until 7 January 2023.
- 7.2. A second phase of public budget consultation launched on 7 January to close 7 February. This focused on the option to increase the council tax precept by 4.99% - a further 1% for adult social care bringing the social care precept to 2% and a further 1% for the general precept bringing this to 2.99%.
- 7.3. The provisional results from the consultation will be reported to Executive on 15 February. The full analysis and results, alongside comments from scrutiny committees, will be reported to the Budget Scrutiny meeting on 27 February to ensure they are fully considered before the final budget is set. None of the budget options require formal statutory consultation.

## **8. Scrutiny of the draft budget proposals and the budget reports**

- 8.1. The reports have been tailored to the remit of each scrutiny as shown in the table below. Each Committee is invited to consider the proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

<b>Date</b>	<b>Meeting</b>	<b>Services Included</b>
7 Feb 2023	Resources and Governance Scrutiny Committee	Chief Exec Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
7 Feb 2023	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Compliance and Community Safety Housing Operations including Homelessness Neighbourhood teams
8 Feb 2023	Health Scrutiny Committee	Adult Social Care Public Health
8 Feb 2023	Children and Young People Scrutiny Committee	Children and Education Services
9 Feb 2023	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance
9 Feb 2023	Economy Scrutiny Committee	City Centre Regeneration Strategic Development Housing and residential growth Planning, Building Control, and licensing Investment Estate Work and skills Highways

## **9. Next Steps**

9.1. The proposed next steps are as follows:

- 7-9 February - Scrutiny Committees
- 15 February - Executive receive proposed budget
- 27 February - Resources and Governance Budget Scrutiny
- 3 March - Council approval of 2023/24 budget

## **10. Conclusion**

10.1. The 2023/24 budget gap has been closed without the need for further saving and there is some opportunity for reducing the quantum and a rephrasing of savings alongside a small level of additional targeted investment. Revised options will be considered by the Scrutiny meetings in February 2023, before being finalised for Executive on 15 February and onto Budget Scrutiny on 27 February.

10.2. The provisional settlement has given some breathing space however it does not provide a sustainable long term funding solution for Local Government. The difficult financial decisions have been pushed back to 2025/26. It is likely

that further significant budget cuts will be required as significant risks remain including a potential reallocation of the social care grant, the delayed funding reforms and anticipated cuts in funding post 2024/25.