

Manchester City Council Report for Information

Report to: Resource and Governance Scrutiny Committee – 7 November 2024

Subject: Autumn Statement 2024

Report of: City Treasurer

Summary

On 30 November 2024, the Chancellor of the Exchequer, Rachel Reeves MP, will deliver the Government's Autumn Statement to the House of Commons. Alongside this report committee members will receive an update on the main announcements from the Statement, focusing on those which have a direct implication for local government funding.

Recommendations

The Committee is recommended to consider the content of this report and supporting presentation, comment on the Autumn Statement announcements.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	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.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Before the 2025/26 budget is set consideration will be given to how any proposed changes could impact on different protected or disadvantaged groups. Where applicable saving proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
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

None directly arising from this report.

The detail and actual levels of funding for 2025/26 will not be known until the Finance Settlement, in previous years this has been received in late December.

Financial Consequences – Capital

None directly arising from this report.

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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.

[Medium Term Financial Strategy and budget 24.25 Executive 14 February 2024](#)
[Revenue Budget process 202526 Resources and Governance Committee 10 October 2024](#)

1. Introduction

- 1.1. This short update follows the last budget report to this committee on 10th October which set out the proposed revenue budget setting process. The next big milestone is the publication of the governments Autumn Statement, expected 30 October 2024.
- 1.2. Due to the timing of the announcement, in agreement with the committee Chair, the City Treasurer will provide a brief presentation at the meeting highlighting the key points of the Autumn Statement and the expected impact on the Council's budget position. The Executive will receive a report on the Autumn Statement at their meeting on 13 November 2024.

2. Background

- 2.1. The Autumn Statement is an official speech in which the chancellor updates Parliament on the economy, taxes and spending decisions. This will be the Labour Party's first such statement after assuming power in July 2024. The government will also confirm its fiscal policy, and the Office for Budget Responsibility (OBR) will publish its economic and fiscal forecasts alongside the Statement.
- 2.2. It is expected that the Chancellor will deliver a Budget and the first year (2025/26) of a multi-year Spending Review process. The multi-year Spending Review will conclude in Spring 2025. The Government's Autumn Statement does not include exact funding updates for Local Government. However, it will provide important indicators as to the outlook for council funding and allow this information to be used to inform the medium-term financial plan and budget process.
- 2.3. Further detail on the Local Government position is expected in late December when the provisional settlement with LA allocations is expected to be published.
- 2.4. The Councils approved Medium Term Financial Strategy (MTFS) set out a forecast budget gap of £29m next year increasing to £42m by 2026/27. Officers were challenged with identifying £50m of savings options for member consideration. Work on the 2025/26 budget started early and considerable progress has been made.
- 2.5. It was originally intended that the updated position and proposed savings options would be presented to the November round of scrutiny committees for consideration. Due to the timing of funding announcements this has been revised to December, which still allows adequate time for consultation.
- 2.6. At the December meetings all scrutiny committees will receive a short update on the Council's budget and a high-level update on the three-year position. Each Committee will be 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 2025

3. Next Steps

3.1. The proposed next steps are as follows:

- 30 October Autumn Budget Statement
- 25 November to 6th Jan – Budget consultation
- 3-5 December - Scrutiny Committees - consider budget options
- 5 December – RAGOS – Council Tax and Business Rates Key Decisions report
- 13 December – Executive - Autumn Statement update and latest monitoring position
- Late December - The Local Government Finance Settlement expected
- 16 January - RAGOS -settlement outcome, update on the budget position and consultation responses.
- 22 January - Executive - Collection Fund decisions to set Council Tax level and Business Rates budget
- 11-13 February - Scrutiny Committees
- 19 February - Executive receive proposed budget
- 26 February - Resources and Governance Budget Scrutiny
- 1 March - Council - Approval of 2025/26 budget

4. Conclusion

4.1. The government's Autumn Statement will be published 30 October 2024, and an overview will be provided to this committee. The statement should provide more clarity on the direction of funding for Local Government. As has been the case in recent years, we are expecting the provisional finance settlement to land in late December, this will provide the detailed funding allocations for 2025/26.