
Report to Cabinet

Budget Forecasts for the Financial Years 2023/24 and 2024/25

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Reason for Decision

To provide Cabinet with the updated forecast budget reduction requirement for 2023/24 and 2024/25, having regard to the financial position reported at Budget Council on 2 March 2022, the changing events which have impacted on the finances of the Council in the period leading up to 17 November 2022 when the Autumn Statement was announced by the Chancellor and the subsequent Government funding indications included in the Autumn Statement.

Executive Summary

The Medium Term Financial Strategy covering the five year period 2022/23 to 2026/27 was agreed by Council on 2 March 2022. At that time, the financial outlook both globally and nationally was significantly different. Since then there have been a wide range of developments which have impacted upon the financial forecasts presented to Council in March 2022.

There has been turbulence in the economy caused by both national and international factors. On 17 October 2022, the Chancellor of the Exchequer delivered an Emergency Statement which reversed a number of the economic policy changes introduced by the previous Chancellor. This stabilised turbulence in the financial markets which had made financial planning difficult and which had resulted in a number of Local Authorities publicly declaring significant reductions in future financial resilience. The Chancellor also advised

that there would be an Autumn Statement to follow shortly afterwards. This was subsequently deferred until 17 November 2022.

The Autumn Statement has provided the Council with enough information to enable a review of its financial estimates in advance of the receipt of the Provisional Local Government Financial Settlement. As the Autumn Statement focussed on 2023/24 and 2024/25, it has enabled the financial forecasts for those years to be revised to give Members a more informed view of the financial position. This report therefore sets out the updated estimates for 2023/24 and 2024/25 and details the assumptions supporting these projections.

Prior to the Autumn Statement there was concern in the Local Government sector that there might be a Government funding reduction for 2023/24 which would have had an even greater negative impact on the finances of the Council. Whilst the Autumn Statement confirmed Government departmental budgets would be maintained at the levels announced in the Spending Review of October 2021, it deferred an element of the planned adult social care reforms, whilst maintaining the level of funding previously announced for the implementation of the reform, thus easing some of the immediate financial concerns. The Government also announced extra support for adult social care and confirmed Local Government would be compensated for the freezing of the Business Rates multiplier. Whilst the exact financial impact will not be clear until the Provisional Local Government Financial Settlement is announced, it has enabled the financial projections to be updated based on the assumptions set out in this report. These assumptions have also incorporated the current financial projections for the 2022/23 outturn as reported elsewhere on this agenda.

Even though anticipated Government funding levels have increased, given the financial pressures which have emerged such as increased energy costs, extraordinary inflationary increases and the exceptional on-going demand for Adults and Children's Social Care services, the budget reduction requirement for the Council has increased from the previously reported position of £16.711m as set out in the Medium Term Financial Strategy agreed at 2 March 2022 Budget Council to £27.975m as detailed in the table below:

	2023/24 Original £000	2023/24 Total Revisions £000	2023/24 Revised November £000	2024/25 £000
Net Gap/Budget Reduction Requirement	16,711	11,264	27,975	14,575

The report sets out how the Council is proposing to bridge the budget gap by its programme of transformational change which will include demand management, income maximisation, budget reductions and the potential use of one off sources of funding.

The Provisional Local Government Finance Settlement is not expected to be published until the week commencing 19 December 2022. This will give the Council better information to refine its estimates for the budget reduction requirement for 2023/24 and 2024/25. The updated position will be reported to Members in January 2023.

Recommendation

That:

Cabinet approves the updated financial projections of the Council as set out in this report identifying a budget reduction requirement of £27.975m for the financial year 2023/24 and £14.575m for the financial year 2024/25.

Budget Forecasts for the Financial Years 2023/24 and 2024/25

1 Background

Introduction

- 1.1 Each year, the Council identifies what it needs to spend on Council services for the following year as part of the budget setting process. This process also involves the identification of provisional spending plans for future financial years. This ensures the Council's future spending plans are balanced against the funding forecasts for Government Grants, Council Tax and Business Rates revenues. These plans form part of the Council's Medium Term Financial Strategy (MTFS).
- 1.2 The MTFS that was approved at the 2 March 2022 Budget Council meeting covered the 5 year period 2022/23 to 2026/27. This report updates the estimates for 2023/24 and 2024/25 only, in line with the Government's current Spending Review period (the financial years 2022/23 to 2024/25) and having regard to the recent Autumn Statement 2022 as announced on 17 November 2022.
- 1.3 Members will recall that when the 2022/23 budget was agreed it included an estimate of the likely budget reduction requirement for 2023/24 and 2024/25.
 - a) The estimated position for 2023/24 was a budget reduction requirement of £29.528m, offset by the 2023/24 impact of budget reductions of £4.922m approved at the 2021/22 Budget Council and £1.895m approved at the 2022/23 Budget Council meeting and an agreed use of reserves of £6.000m. In total, £16.711m of budget reductions were expected to be required.
 - b) The estimated position for 2024/25 was a budget reduction requirement of £13.499m offset by the 2024/25 impact of budget reductions of £0.300m approved at the 2021/22 Budget Council and £1.150m approved at the 2022/23 Budget Council meeting and an agreed use of reserves of £3.932m. In total, £8.117m of budget reductions were expected to be required.
- 1.4 As would be expected, there have been further reviews of the estimates and assumptions underpinning the forecast budget reduction requirement for 2023/24 and 2024/25. This report sets out how the position has moved on since March 2022.
- 1.5 Whilst COVID-19 is still prevalent, it is no longer having the same influence over most Council activities, the exception being Adult Social Care and Children's Social Care where demand reflects the legacy of COVID-19. It is also important to note that all COVID-19 Government grant funding ceased at the end of 2021/22, therefore the Council has had to address such pressures from its own resources. The challenge that this has created is one of the key issues that, as explained later, is impacting on the financial year 2022/23 and consequently, the budget estimates for 2023/24.
- 1.6 However, in addition to the pressures that were anticipated when the initial estimates for 2023/24 and future years were prepared, and the challenges faced in the provision of Adults and Children's Social Care in particular, there has been significant turbulence both internationally and nationally which has significantly impacted on the Council, every other Local Authority and the country as a whole. The issues include:

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- a) the legacy of COVID-19 which has disrupted international trade, particularly as China remains in partial lockdown which has reduced the supply of goods and materials;
 - b) the impact of Brexit which has affected trade arrangements with countries which remain within the EU;
 - c) the war between Russia and Ukraine which has impacted on energy and the general supply of goods and materials including grain;
 - d) the inflationary pressures caused by all of the above issues impacting on energy and general commodity prices. This has had a knock on effect to the general cost of living and has sparked wage inflation;
 - e) changes within Central Government, most recently resulting in significant increases in interest rates and the cost of borrowing;
 - f) the response from Central Government to the recent economic turbulence; and
 - g) the change in Prime Ministers and other Cabinet Ministers and revisions to Government policy and expenditure plans.
- 1.7 When the initial 2023/24 MTFS was prepared, most of the challenges highlighted at paragraph 1.6 could not have been envisaged. It is therefore not surprising that the budget reduction requirement for 2023/24 and future years has changed.
- 1.8 The Council's budget estimates have been subject to constant review throughout 2022/23. The estimates set out in this report are based on a series of assumptions together with forecasts of Central Government funding for 2023/24 and 2024/25, mostly recently updated for the information included in the Autumn Statement as outlined later in the report. However, it is not until the receipt of the Provisional Local Government Finance Settlement (PLGFS) and associated funding announcements (expected during the week beginning 19 December 2022) that Government grant funding estimates can be firmed up.
- ## **2 The Local Government Financial Landscape in 2022/23**
- 2.1 Leading into 2022/23, many Councils were already experiencing financial difficulties as a result of the COVID-19 pandemic. Several Councils had sought support from Central Government and had been granted a capitalisation direction (permission to use capital resources to support revenue expenditure). There had also been instances of Councils issuing a notice under Section 114 of the Local Government Act 1988 (a Section 114 Notice), effectively declaring that they were not financially sustainable, although this was as a result of poor financial practice rather than the effects of COVID-19 or inflationary pressures. In overall terms, however, this suggested that Local Government was beginning to show signs of financial stress.
- 2.2 The funding received by Councils in the Final Local Government Finance Settlement for 2022/23 was based on the Spending Review 2021 (SR21), issued in October 2021. SR21, which included indicative high level Government funding allocations for the three year period 2022/23 to 2024/25, was prepared when the economic position was much more stable, and had included additional funding reflective of the ending of austerity and support for the levelling up agenda. As outlined above, the macro-economic environment has changed significantly since the Council set its 2022/23 budget. Financial pressures related to the COVID-19 pandemic have not subsided as might have initially been envisaged whilst inflationary pressures have significantly increased. The funding for Oldham Council, as well as other Councils has not proved sufficient to prevent overspending in 2022/23.
- 2.3 The Council's month 3 financial monitoring report, approved at Cabinet on 22 August 2022 highlighted an expected overspend of £5.833m, primarily due to pressures experienced by Adult and Social Care service provision but also due to the impact of general price inflation and energy costs. The month 6 financial monitoring position is presented at section 3 and in more detail in a report elsewhere on the agenda. This highlights that the financial position remains challenging. The overspending is forecast to have reduced to £4.452m by the end

of the financial year, but this has required management action to control expenditure levels. Many other Councils have also reported in year financial pressures with similar in year causes. Whilst there have been calls for additional funding to be made available to Councils because of the unforeseen costs, the Government has not provided any new general grants for 2022/23.

- 2.4 A number of Councils have updated their Medium Term Financial Strategies over recent months. This has highlighted that whilst Local Government is facing both increases in costs and demand for services, working within the constraints of the indicative funding allocations set out in SR21, there would be a significant gap between funding that could be expected from Central Government for 2023/24 (and future years) and that required.
- 2.5 In October this year the Local Government Association (LGA) highlighted a potential budget gap across all Councils of £3.4bn in 2023/24 rising to £4.5bn in 2025/26, stating that many Councils will “have no choice but to implement significant cuts to services including to those for the most vulnerable in our societies”.
- 2.6 The Association of London Councils reported the results of a survey of the 2023/24 financial projections of its members and estimated a potential shortfall of £700m for the financial year 2023/24.
- 2.7 The County Council Network also undertook a survey of its members which identified that before the Autumn Statement, only 22% of its members were confident of avoiding insolvency. After the survey was publicised, two County Councils (Kent and Hampshire) announced they had significant budget deficits and they were only a few months away from issuing a Section 114 Notice. In a joint letter to the Prime Minister both Leaders stated “drastic cuts” to services would not alleviate soaring inflation and pressures in both Adults and Children’s Social Care.
- 2.8 With this in mind, the Government’s Autumn Statement was therefore awaited with a mixture of expectation and trepidation, especially given the turbulence caused by Government economic policies and Ministerial statements advising that Central Government funding would have to be reduced. A return to a period of austerity was predicted.

Autumn Statement

- 2.9 On 17 November 2022, the Chancellor of the Exchequer, the Rt. Hon. Jeremy Hunt MP delivered his Autumn Statement. The aim of the Autumn Statement (AS22) was to reduce the size of the gap between what the Government raises and spends – the so-called fiscal black hole, through a £55bn consolidation of fiscal policies split 50/50 between spending cuts and increased taxation. The Chancellor had previously delivered an Emergency Statement on 17 October 2022, which reversed most of the policies announced in the Government's 'Mini-Budget' on 23 September 2022. This Emergency Statement was designed to calm financial turmoil prior to the AS22.
- 2.10 The AS22 was delivered against the backdrop of a significant cost of living crisis with inflation increasing by 11.1% in October and the Chancellor confirming that the UK is in a recession. Simultaneously, the Bank of England warned that it is likely to be the longest recession since records began.
- 2.11 In the period leading up to AS22, there had been considerable uncertainty around future public sector funding levels. The high inflationary pressures and increasing energy costs had created a cost of living crisis which has had an extensive impact, but especially on the poorest and most vulnerable in society. The Local Government Association (LGA) and other public sector groups lobbied Government about their concerns that services could not be maintained if funding for Local Government was cut.
- 2.12 The AS22 included numerous policy proposals covering public spending and taxation. It was much more positive than had been predicted. Some aspects have direct implications for the Council and Oldham residents however, this report presents those which are considered to have a direct impact on the finances of Oldham Council. It is important to note that the information contained in the Autumn Statement can only be considered indicative. As previously advised, it is not until the PLGFS is received that Government grant funding allocations will be notified.
- 2.13 In AS22, the Chancellor confirmed that:
- Government Departmental Expenditure Limits (DEL) for 2023/24 and 2024/25 would remain as previously announced within the Spending Review 2021 (however, with the level of inflation very high and rising, this actually translates to a cut in real terms). This, however, means that overall funding for the sector would not be reduced further for the next two years and this has alleviated immediate concerns.
 - Departmental resource spending will grow at 1% a year in real terms beyond the Spending Review period (2025/26 to 2027/28), which implies significant medium term spending restrictions. Departmental capital spending will continue at the same level in cash terms.
 - To keep spending focused on the Government's priorities and help manage pressures from higher inflation, Government Departments will continue to identify efficiency savings in day-to-day budgets with the Government launching an Efficiency and Savings Review. This will include reprioritising spending away from lower-value and low-priority programmes and reviewing the effectiveness of public bodies. Savings will be reinvested in public services, with the Government presenting a report on progress in the spring.

2.14 The Chancellor made the following main announcements with regard to public sector spending and finances.

a) Adult Social Care - Additional £1 billion funding

The Government has allocated new funding of £1bn for 2023/24, increasing to £1.680bn in 2024/25 to enable patients to be released from hospital into social care in a timely manner. As shown in the table below:

- Sums of £400m in 2023/24, increasing to £680 million in 2024/25 will be allocated to Local Authorities through a ringfenced Adult Social Care grant which will also help to support hospital discharges.
- Better Care Fund (BCF) Grant of £600m in 2023/24 rising by £400m to £1bn in 2024/25 will be allocated directly to the National Health Service (NHS). The BCF is allocated to each NHS locality area and must be used collaboratively with Local Authorities.

Additional Funding for Adult Social Care - National Position	Allocation 2023/24 £m	Increased Allocation 2024/25 £m	Total Allocation 2024/25 £m
Ringfenced to Adult Social Care - direct to Councils	400	280	680
Better Care Fund - to NHS	600	400	1,000
Total New Funding - Nationally	1,000	680	1,680

2.15 The table below highlights that new funding not previously anticipated of £3.448m in 2023/24 increasing to £5.821m in 2024/25 could be available to support the Council's financial position. This is based on assumptions of:

- the method of allocating grant directly to Oldham Council using the current funding formula for the Social Care Support Grant
- the way in which the Better Care Fund (initially allocated to the National Health Service and then to the Oldham Integrated Care Board (ICB)) will be available for the Council to support Adult Social Care expenditure in collaboration with the ICB.

Additional Funding for Adult Social Care - Oldham Position	Allocation 2023/24 £m	Increased Allocation 2024/25 £m	Total Allocation 2024/25 £m
Total New Funding - Oldham	3.448	2.373	5.821

b) Adult Social Care – Deferring the Introduction of Social Care Reforms

Significant reforms to Adult Social Care services were expected to be introduced from April 2023. AS22 announced the deferring of the introduction of the social care cap for at least two years to October 2025. Intentions regarding the introduction of the Fair Cost of Care initiative are less clear, although current indications are that Councils should work towards the introduction of the Fair Cost of Care for Adult Social Care. AS22 confirmed that funding for the implementation of the reforms will be maintained within the Local Government funding envelope at a value of £1.3bn in 2023/24 and £1.9bn in 2024/25 to enable Local Authorities to address current Adult Social Care pressures. This recycled funding is expected to be allocated at the PLGFS through the Social Care Support Grant.

Based on an assumed allocation methodology, this is estimated to provide funding to Oldham of £6.721m in 2023/24 and a total of £9.823m by 2024/25. Having regard to funding for reform that had already been assumed, the net impact is an increase in grant funding of £1.421m for 2023/24 and a further £3.102m for 2024/25. It is expected that this will be allocated by an increase in the Social Care Support Grant. Unless there is a change to funding arrangements, this grant is intended to support Social Care pressures, which covers both Adults and Children's Social Care. Therefore, as advised later in the report, it has been assumed will not be directly applied to Adult Social Care but set against wider Social Care pressures.

c) Council Tax

Through AS22, the Government is giving Local Authorities in England additional flexibility in setting Council Tax by raising the threshold for the requirement to hold a referendum to agree an increase in Council Tax from 3% to 5%. From April 2023, Councils will have the ability to increase Council Tax for general purposes by 3%, up from the current 2%. In addition, Local Authorities with social care responsibilities will be able to increase the Adult Social Care Precept by up to 2% per year (an increase of 1%). Therefore, the Council could increase Council Tax by a maximum of 4.99% before a referendum is required.

d) Business Rates

Following confirmation that the Business Rates Revaluation will go ahead from 1 April 2023, the net impact for the Council is expected to be neutral. However, from 1 April 2023, Business Rates bills in England will be updated to reflect changes in property values since the last revaluation in 2017. A package of targeted support worth £13.6 billion over the next 5 years will support businesses as they transition to their new bills. Local Authorities will be fully compensated for the loss of income as a result of these Business Rates measures and will receive new burdens funding for administration and IT costs.

As part of the overall £13.6 billion support, the Business Rates multiplier will be frozen in the financial year 2023/24 at 49.9p and 51.2p preventing an increase to 52.9p and 54.2p. The compensation (Grant in Lieu of Business Rates) that the Council is expected to receive as its Business Rates income will not be increased is currently estimated at £4.000m. Due to the uncertainty of Government intentions and the volatility around Business Rates income, this grant/income had not previously been factored into budget estimates for 2023/24.

Retail, Hospitality and Leisure Business Rates Relief is being extended and increased from 50% to 75% up to £110,000 per business in 2023/24. This will reduce the amount of Business Rates the Council is required to collect and increase the value of the Grant in Lieu of Business Rates. The net effect is therefore neutral and the effect will be built into the individual funding elements once known.

e) Continuation of 100% Business Rates Retention Pilot Scheme

The Autumn Statement made no reference to either the continuation or ceasing of 100% Business Rates Retention Pilot Schemes in Greater Manchester. The assumption is that this will be confirmed alongside the PLGFS.

f) Impact of the Abolition of the Health and Social Care Levy

Government departmental budgets will be reduced as they are no longer required to finance the Health and Social Care Levy. The likely impact is a reduction in funding for Local Government of £200m of which the Council's share is anticipated at £1.086m.

g) Support for Energy Costs

AS22 advised that there will be no continuation beyond 1 April 2023 of the Energy Price Guarantee for Public Sector bodies such as Councils and Schools.

h) Pay Awards

There were no specific details included within the Statement with regard to Public Sector pay. The Government is seeking recommendations from Pay Review Bodies, where applicable, for pay awards for 2023/24.

i) Household Support Fund Grant

There will be a twelve month extension of the Household Support Fund grant in 2023/24 at a national value of £1 billion. Working on the assumption that the Council's allocation is the same as in 2022/23, the Council would receive ringfenced grant of £4.838m.

- 2.16 In overall terms, the Autumn Statement has provided additional funding for Councils and to some degree, provided some stability and certainty about funding intentions. This has enabled the Council to update its financial forecasts for 2023/24 and 2024/25. However, as previously advised, it is not until the detailed information is presented in the PLGFS, that funding allocations are confirmed and financial planning can be finalised.

3 Current Budget Monitoring Position

- 3.1 The financial position in 2022/23 is an important indicator of the factors that will influence setting the budget for 2023/24 and hence provides key information about estimates that need to be revised.
- 3.2 The table below sets out the financial monitoring position for month 6 compared to month 3. The detailed financial monitoring report is elsewhere on the agenda. As can be seen, the forecast outturn to the end of the year, after a predicted and proposed (net) in-year transfer from reserves totalling £10.331m is an adverse operational variance of £6.172m an increase from £5.833m at the end of month 3.

In view of the projected adverse variance, measures have been initiated to address the overspending, namely:

- management actions across all service areas to review and challenge planned expenditure and to maximise income;
- processes to monitor the recruitment of staff to vacant posts and significant items of expenditure; and
- ensuring non-essential expenditure is minimised.

- 3.3 It is anticipated that the combined effect of these measures will reduce the year-end adverse outturn by £1.720m to produce a forecast deficit of £4.452m. The Council has recently been notified of additional in year funding to support the hospital discharge process. This additional grant funding may also support the financial position.

Revenue Budget Monitoring Position – Month 6

	Budget £000	Forecast £000	In Year Net Use of Reserves £000	Variance Quarter 2 £000	Variance Quarter 1 £000
Community Health and Adult Social Care	67,232	76,970	(1,695)	8,043	8,851
Children's Services	50,879	64,362	(2,186)	11,297	7,980
Public Health	24,299	27,009	(3,049)	(339)	(10)
Communities	6,534	6,911	(676)	(299)	(275)
Place and Economic Growth	54,810	59,112	(1,585)	2,717	2,755
Corporate Services	26,264	27,065	(1,140)	(339)	(94)
Capital, Treasury and Technical Accounting	23,120	20,212		(2,908)	(1,374)
COVID-19 Legacy Funding	12,000			(12,000)	(12,000)
NET OPERATIONAL EXPENDITURE	265,138	281,641	(10,331)	6,172	5,833
Management Actions/ Spending Restrictions			(1,720)		(1,720)
NET EXPENDITURE	265,138	279,921	(10,331)	4,452	5,833
FINANCED BY:					
Collection Fund Deficit	8,807	8,807			
Use of Reserves to offset Collection Fund Deficit	(8,807)	(8,807)			
General Use of Reserves	(11,879)	(11,879)			
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	1,710	1,710			
Other Financing	(254,969)	(254,969)			
TOTAL FINANCING	(265,138)	(265,138)			
NET FORECAST VARIANCE	-	14,783	(10,331)	4,452	5,833

3.4 The major areas of variance are:

- a) Community Health and Adult Social Care (CHASC) is reporting a net adverse variance of £8.043m, after a £1.695m use of reserves. The adverse variance comprises £7.028m of COVID-19 related expenditure, in the main due to the demand for care packages linked to hospital discharges. The residual adverse variance of £1.015m relates to ‘business as usual’ activities.
 - b) Children’s Services is forecasting a net adverse variance of £11.297m, after a £2.186m use of reserves. The main pressure is within Children’s Social Care (CSC) which is showing an overspend of £11.252m. Within this, £3.961m relates to activity arising from the COVID-19 pandemic, in the main due to an increased demand for social care placements. Linked to this increased activity is the additional costs that are being incurred by the use of supernumerary agency workers to reflect the lasting increase in demand for services and the impact on case numbers. The residual CSC adverse variance of £7.291m relates to operational pressures across the Division, again driven by placement and staffing pressures.
 - c) Place and Economic Growth Portfolio is forecasting an overspend of £2.717m net of a £1.585m use of reserves, in the main due to uncertainty in realising budget reductions, which are now anticipated to be achieved in later years. None of the adverse variances have been attributed to the lasting impact of COVID-19 and is therefore being wholly classed as an operational pressure.
 - d) Capital and Treasury and Technical Accounting is showing a favourable variance of £2.908m mainly due to reduced capital financing charges and increased treasury management income.
 - e) It is important to note that the 2022/23 budget was prepared with £12.000m of resources to offset the anticipated legacy of COVID-19. This is held corporately as, prior to the start of the financial year, it was uncertain exactly where the COVID-19 pressures would fall. Whilst this is shown as an underspend, as advised above, it is offsetting a COVID-19 pressure that has fallen wholly within Adults and Children’s Social Care services.
- 3.5 As can be seen later in the report, the increased expenditure on Adult Social Care and Children’s Social Care has a major influence on the budget reduction requirement for 2023/24 and future years.

4 Revisions to Estimates

Assumptions Used in Revising the Estimates

- 4.1 As advised previously, there are significant external issues which are impacting on the Council. Until the announcement of AS22 which provided an indication of Government funding intentions for 2023/24 and 2024/25, it has proved challenging to undertake financial planning with any degree of certainty. However, as many issues are still subject to change, a series of assumptions has been made about the financial pressures that the Council will face in 2023/24 and 2024/25. These are detailed below and the forecast pressures have been based on the following assumptions where appropriate:
- a) Pay inflation – the pay increases that have been assumed are 4% in 2023/24 and 3% thereafter, an increase from the previously assumed 2%.
 - b) Contractual inflation – this has been calculated having regard to current contracts values and inflationary indices.
 - c) Energy Price Inflation – a revised forecast has been based on the latest information from the Crown Commercial Service resulting in an increase in budgetary requirement of £2.500m in 2023/24 to a total of £3.750m. It is assumed that 2023/24 will be the peak year with no further increases required thereafter (this is of course subject to change).
 - d) The 2022/23 financial position – the month 6 budget monitoring forecasts have been used to predict the likely service pressures for 2023/24 and future years with an increased budget requirement for both Adults and Children's Social Care.
 - e) Budget Reductions - All previously approved budget reductions other than those identified in this report will be delivered in full during 2022/23 and future years.
 - f) Government Funding – it is assumed that other than the changes announced in AS22, the majority of Government Grants will continue at 2022/23 levels and that there are no major changes to the allocation methodology. This will not be confirmed until the PLGFS is received.
 - g) Business Rates Retention - it is now assumed that the pilot scheme for Business Rates Retention is continued for a further two years as there is limited time for any consultation on changes to be agreed. The presentation of Government grant income has therefore been revised to remove estimates of separate grant allocations for Revenue Support Grant and Public Health Grant. For a similar reason it is assumed that there are no major reforms to Business Rates which impact on the income that can be generated.
 - h) The Business Rates revaluation initiative will be applicable from 1 April 2023 and at present this is expected to have a neutral impact.

5 Detailed Budget Estimates

Revisions to the Budget

- 5.1 The following sections set out the revisions to the budget which have produced the updated budget gap for 2023/24 based on the assumptions set out above (where appropriate) and informed by the most recent information.
- 5.2 These adjustments have been split into the categories as shown in the table below. In overall terms it shows that there have been revisions to the original estimates of £11.264m leaving a balance to be addressed of £27.975m in 2023/24 and £14.575m in 2024/25.

	Para Ref	2023/24 Original £000	2023/24 Total Revisions £000	2023/24 Revised November £000	2024/25 £000
2022/23 Net Revenue Budget		250,517		250,517	265,733
Total Adjustments to the Base Budget	5.4	11,584	460	12,044	8,600
Total Expenditure Adjustments	5.6	18,119	28,987	47,106	12,560
Total Development Fund Expenditure	5.12	2,000	(2,000)	0	3,000
Total Impact of Levies, the Statutory Charge and Contributions	5.13	922	(1,726)	(804)	5,821
Total Expenditure		283,142	25,721	308,863	295,714
Total Government Grant Funding	5.15	(123,958)	19,025	(104,933)	(110,190)
Total Locally Generated Income	5.23	(131,848)	(23,802)	(155,650)	(158,717)
Total Collection Fund (Excluding the Impact of Business Rates Reliefs)	5.29	2,192	(7,342)	(5,150)	0
Total Funding		(253,614)	(12,119)	(265,733)	(268,907)
Budget Reduction Requirement		29,528	13,602	43,130	26,807
2021/22 Approved Budget Reductions	5.31	(4,922)	0	(4,922)	(300)
2022/23 Approved Budget Reductions	5.31	(1,895)	0	(1,895)	(1,150)
Revisions / Reprofiling of Approved Budget Reductions	5.32	0	3,162	3,162	(4,250)
Total Flexible Use of Capital Receipts	5.33	0	(2,600)	(2,600)	(2,600)
Total Use of Reserves	5.34	(6,000)	(2,900)	(8,900)	(3,932)
Net Gap/Budget Reduction Requirement		16,711	11,264	27,975	14,575

- 5.3 An explanation of the figures within each of the individual rows of the table above are detailed in the paragraphs below as per the reference column.

Adjustments to the Base Budget

5.4 The budget for 2022/23 contained a number of adjustments including some which were one-off. The base budget must therefore be amended to address these one-off items to establish the start position for 2023/24 and 2024/25. The base budget adjustments are shown in the table below and explained as follows:

	2023/24 Original £000	2023/24 Total Revisions £000	2023/24 Revised November £000	2024/25 £000
Adjustment for one off grant funded expenditure in 2022/23 - Domestic Abuse Duty	(580)		(580)	
Continuation funding for corporate initiatives		460	460	
Flexible use of Capital Receipts 2022/23	2,500		2,500	
Flexible use of Capital Receipts 2023/24				2,600
Reversal of Use of Reserves	11,374		11,374	6,000
Reversal of Transfer to Reserves	(1,710)		(1,710)	
Total Adjustments to the Base Budget	11,584	460	12,044	8,600

a) **Adjustment for one-off grant funded expenditure for the Domestic Abuse Duty - £0.580m**

The Domestic Abuse Act 2021 placed new duties on Local Authorities to ensure that victims of domestic abuse and their children can access the right support in safe accommodation when they need it. When the 2022/23 budget was set it included an unringfenced grant for of £0.580m to compensate the Council for this new duty. It was anticipated that this would be a one-off grant and would therefore require an adjustment to the base budget for 2023/24. During the early part of 2022/23, the Council received a grant notification advising that this grant should be treated as a ringfenced grant. Although funding is now expected to continue in 2023/24, it will be in the form of a ringfenced grant and the revision to the base budget is still required.

b) **Continuation funding for Corporate Initiatives in 2022/23 - £0.460m**

An apprenticeship scheme was developed and introduced in 2022/23 which requires on-going base budget support. The budget has therefore been adjusted to accommodate this committed expenditure.

c) **Flexible use of Capital Receipts 2022/23 and 2023/24 - £2.500m in 2023/24 and £2.600m in 2024/25**

In preparing the 2022/23 budget, the Council took the opportunity to utilise the flexible use of capital receipts to offset £2.500m of the revenue cost of transformational projects that would deliver future on-going revenue savings for the Council. As this was a one-off adjustment, the opening budget position has therefore been revised by £2.500m for 2023/24. As it is intended to utilise capital receipts flexibilities again in 2024/25 (see 5.34), this time by £2.600m then this also requires a reversal of £2.600m into 2024/25.

d) **Reversal of Use of Reserves - £11.374m in 2023/24 and £6.000m in 2024/25**

The Council used £20.686m of reserves in 2022/23 to support the budget of which £11.374m supported recurrent expenditure. As the expenditure will continue without any corresponding funding source, the base budget has therefore to be adjusted for £11.374m prior to any consideration of reserves use in 2023/24. It has already been agreed that the budget for 2023/24 will be supported by £6.000m of reserves, therefore this is also reversed out into 2024/25. The proposed use of £2.900m of reserves to invest in Children's Services is to fund one off expenditure and as such does not need reversing in 2024/25 (see paragraph 5.6(f) for detail).

e) **Reversal of Transfer to Reserves – (£1.710m)**

In preparing the 2022/23 budget it was assumed that the Business Rates Retention pilot would deliver one off benefits in terms of additional Business Rates of £3.421m. Half of this gain (£1.711m) was used to support the Council's 2022/23 budget and half had to be shared with the Greater Manchester Combined Authority (GMCA). Therefore, a transfer to reserves of £1.710m was budgeted in order to facilitate the payment to GMCA. As this was a one-off transaction, the base budget for 2023/24 must be adjusted by £1.710m.

- 5.5 The overall impact of adjustments to the base budget for all the issues outlined above is to increase the value of adjustments from £11.584m to £12.044m for 2023/24.

Revised Expenditure Estimates

- 5.6 A range of budget adjustments and pressures have been identified during the preparation of the revised 2023/24 budget forecasts. These now total £47.106m and are presented in the table and explained (see paragraph reference) in the narrative below.

Expenditure Revisions	Para Ref	2023/24 Original £000	2023/24 Total Revisions £000	2023/24 Revised November £000	2024/25 £000
Pay Inflation	a	1,530	9,945	11,475	4,660
Contractual Inflation	b	2,280	(567)	1,713	857
Service Inflation	c	0	7,350	7,350	1,000
Energy Price Inflation	d	1,250	2,500	3,750	0
Unachieved / Reprofiled 2022/23 Budget Reductions	e	0	2,845	2,845	0
Children's Social Care - Demand Pressures - including COVID-19 Legacy	f	1,000	10,300	11,300	0
Children's Social Care - One Off Investment	f	0	2,900	2,900	0
Children's Social Care Pressures impact on Legal Services	g	0	150	150	0
Improved Better Care Fund Grant - Passport to Services	h	224	(224)	0	0
Adult Social Care - Demand Pressures/ Demographics	i	8,427	8,751	17,178	2,865
Adult Social Care – New Ringfenced Grants	j	0	(3,448)	(3,448)	(2,373)
Reversal of the Health and Social Care Levy net impact on Pay Budgets	k	0	(383)	(383)	0
Home to School Transport - Additional Costs	l	250	750	1,000	250
Dedicated Schools Grant - Inherited Liabilities	m	296	(168)	128	0
Investment Fund	n	4,600	(3,746)	854	3,919
Employer Pension Contribution Rate Reduction	o	0	(1,500)	(1,500)	0
Cessation of Pension Prepayment Flexibility	p	900	(150)	750	75
Market Relocation	q	0	542	542	0
Elections Cost Pressures	r	0	100	100	0
External Audit Scale Fees	s	0	150	150	0
Cost of Living Support	t	0	1,790	1,790	938
Information Technology - Research and Development Fund	u	0	100	100	0
Increased Expenditure Funded by the passporting of Public Health Grant	v	354	0	354	361
COVID-19 Legacy Costs	w	(3,000)	(9,000)	(12,000)	0
Revised Parish Precept Expenditure (offset by Parish Precept income)	x	8	0	8	8
Total Expenditure Adjustments		18,119	28,987	47,106	12,560

a) **Pay Inflation - £11.475m in 2023/24**

The MTFS approved at Council on 2 March 2022 included provision across all years for a pay award at a value of 2%. The 2022/23 pay award has recently been agreed for most Local Government employees and its impact on the Council has been calculated at an overall increase of 6.5% to the pay bill rather than 2%. It is now estimated that the 2023/24 pay award will be a further 4% increase. Reflecting these significant percentage increases, the budget for 2023/24 requires uplifting from the initial estimate of only £1.530m to £11.475m. The impact of a further 3% pay increase for 2024/25 results in a further pressure of £4.660m.

b) **Contractual Inflation - £1.713m in 2023/24**

Contractual inflation at a value of £2.280m had been assumed. Although inflationary pressures have generally increased, a review of contractual terms has resulted in a decrease to the required provision of £0.567m for 2023/24, resulting in a reduced pressure of £1.713m. It is expected that the 2024/25 budget will require adjustment of a further £0.857m.

c) **Service Inflation - £7.350m in 2023/24**

General inflation has for the past few years been absorbed by services through more efficient ways of working. However, the inflation rate in 2022/23 has increased significantly and as such, a calculation has indicated that a 5% increase across all general services budgets (excluding any areas presented separately, such as pay and energy inflation) requires additional budgetary provision of £7.350m. The 2024/25 budget assumes a limited increase of £1.000m.

d) **Energy Price Inflation - £3.750m**

Due to the rapid increase in energy costs over recent months it is anticipated, based on the latest information, that energy prices will continue to increase in 2022/23 and 2023/24. It was originally anticipated that £1.250m would need to be added to the Council's energy budget. Continuing price rises in 2022/23 have resulted in a £2.500m increase in this estimate, to a value of £3.750m. It is expected that although energy costs will remain high in 2023/24, the increase applied to 2023/24 will be adequate for 2024/25. It is clear that energy price inflation is an extremely volatile area. Therefore, to be prudent, a specific reserve of £2.500m will be set up to cover any additional costs due to volatility. The position will be kept under continual review.

e) **Unachieved / Reprofiled 2022/23 Budget Reductions - £2.845m**

When the 2022/23 budget was set, it was assumed that all budget reductions with an impact in 2023/24 would be delivered in full. Budget monitoring for the financial year 2022/23 has identified that previously agreed budget reductions totalling £2.845m cannot be achieved or offset by compensating recurring savings in the service and therefore impact on the 2023/24 budget. These are:

- PPL-BR1-439 Internal Efficiency Initiatives - Unity Partnership (£0.313m)
- PPL-BR1-512 Information and Communications Technology (£0.020m)
- PPL-BR1-401 Creating a Better Place – Projects & Assets (£2.012m) – although the value of this budget reduction will not be achieved as intended, it will be reprofiled to 2024/25
- CHS-BR1-443 External Placements Cost Avoidance (£0.500m)

f) **Children's Social Care Demand Pressures - £11.300m and One-Off Investment of £2.900m**

As outlined at 3.4(b) above, budget monitoring in 2022/23 has identified an on-going forecast overspend of around £11.300m for Children's Social Care. Acknowledging the pressures in this service, elsewhere on the agenda is a report setting out how the Council intends to rebase the Children's Social Care budget and invest in resources which will remove this budget pressure from 2023/24 and provide further funding on an invest to save basis. It should be noted that there is a £0.500m investment to address the budget reduction CHS-BR1-443 External Placements Cost Avoidance which has not been delivered.

The initial estimate was that there would be a budgetary requirement of only £1.000m to fund pressures in 2023/24 with an assumed £4.500m of COVID-19 legacy resources available within the budget to provide further support to offset some of the pressures. This £4.500m has now been consolidated into the Children's Social Care mainstream budget together with a further £5.800m to reflect current expenditure trends and £0.500m to deal with the budget reduction shortfall.

A further £2.900m of additional investment will be added to the budget in 2023/24 only to pump prime transformational activity. This will be funded by Children's Services reserves. This is expected to deliver efficiencies and savings thus reducing the cost of Children's Services in future years.

In total, investment of £14.700m is being allocated to Children's Social Care in 2023/24.

g) **Children's Social Care Pressures – Impact on Legal Services - £0.150m**

Children's Social Care, as detailed above, has seen increased demand both during and after the COVID-19 pandemic. This demand has impacted on other services, particularly Legal Services with a sharp rise in case numbers. Managing this demand has resulted in increasing costs which will need further budgetary provision of £0.150m for Legal Services.

h) **Improved Better Care Fund (IBCF) Grant – Passport to Services - £0.000m**

As it is now anticipated that Government grants will continue at 2022/23 values, the expenditure associated with the passporting of an inflationary adjustment to the Improved Better Care Fund Grant (£0.224m) has been removed (see 5.18).

i) **Adult Social Care – Demand Pressures/ Demographics - £17.178m in 2023/24**

It had initially been estimated that in 2023/24, Adult Social Care pressures of £8.427m would require inclusion in the 2023/24 budget, including an initial estimate of the impact of Adult Social Care reform which was expected to be fully funded by Government grant as well as supporting the Council's commitment to the Living Wage Foundation National Living Wage rate of pay for social care workers and increased demand pressures. As with Children's Social Care there was an assumed £4.500m of COVID-19 legacy resources available within the budget to provide further support and offset some of the pressures. This £4.500m has now been consolidated into the Adult Social Care mainstream budget.

The table at paragraph 3.3 above advises of an additional budgetary pressure of £8.043m (of which £4.500m is financed from the reallocated COVID-19 pressures resources). This encompasses the:

-
- current increased service demand as outlined in the month 6 financial monitoring report
 - financing the Council's continued commitment to the Living Wage Foundation National Living Wage rate of pay for social care workers and funding increases for care providers
 - demographic pressures arising from an increasingly elderly population

The table shows that in total, budgetary provision for Adult Social Care has increased by £17.178m, although there is offsetting ringfenced Government grant funding to provide direct support. A further increase in expenditure of £2.865m is anticipated for 2024/25.

j) **Adult Social Care – New Ringfenced Grants**

As advised above at 2.15, the Autumn Statement advised of increased resources estimated at £3.448m in 2023/24 and a further £2.373m in 2024/25. As this is ringfenced funding it has the impact of directly offsetting expenditure and is therefore presented as an adjustment to expenditure estimates.

k) **Reversal of the Health and Social Care Levy net impact on Pay Budgets – (£0.383m)**

On 23 September 2022, the Government announced that the Health and Social Care Levy which increased National Insurance contribution rates by 1.25% would be cancelled. This measure will reduce the main and additional rates of Class 1, Class 1A, Class 1B and Class 4 National Insurance Contributions from 6 November 2022, in effect removing the temporary 1.25% increase introduced by the Health and Social Care Levy Act 2021. The net impact to mainstream service pay budgets for 2023/24, after taking into account offsetting pay award increases will be £0.383m which can now be removed from the budget.

l) **Home to School Transport – Additional Costs - £1.000m in 2023/24**

The Home to School Transport Service has been subject to a contract retendering exercise for the 2022/23 academic year. Demand has risen significantly since the last tendering exercise in September 2019 as well as contributing factors around inflation, fuel prices and the clean air policy. Acknowledging the full year impact of the retendering exercise for 2023/24, a pressure of £1.000m, has been included in estimates for 2023/24. The tendering exercise did highlight a potential cost of £1.228m, however, it is considered that the best approach would be to provide funding of £1.000m and hold a specific risk reserve of £0.228m to mitigate any 'worst case scenario' additional route pressures. A further pressure of £0.250m is anticipated for 2024/25.

m) **Dedicated Schools Grant (DSG) - Inherited Liabilities - £0.128m**

As in previous years there is a requirement for the Council to fund historic costs e.g., on-going pension liabilities, which it is assumed could no longer be funded by the DSG. However, as advised in the report about the National Funding Formula for Schools for 2023/24 elsewhere on the agenda, this potential pressure has reduced to £0.128m. A submission to the Department of Education has been made for grant funding to support this cost. The outcome of this submission will not be known until the funding allocations for schools for 2023/24 have been received (likely to align with

the PLGFS). If the bid for funding is successful, then this potential budgetary pressure will be removed.

n) **Investment Fund - £0.854m in 2023/24**

The original 2023/24 budget estimates assumed that there would be an increase of £4.600m in the budget due to increased borrowing costs to fund the planned expenditure in the capital programme. Following a review and based on the outturn for 2021/22 and reprofiling of the capital programme in 2022/23, the estimated costs have reduced by £3.746m to a value of £0.854m in 2023/24. The £3.746m of costs will be reprofiled over future financial years.

An additional pressure of £3.919m is anticipated for 2024/25.

o) **Employer Pension Contribution Rate Reduction – (£1.500m) in 2023/24**

Information received from the Greater Manchester Pension Fund on 14 October 2022 based on the latest actuarial valuation has advised of a reduction in employer pension contribution rates for 2023/24. This reduction is expected to produce a benefit to the Council at a value of £1.500m.

p) **Cessation of Pension Prepayment Flexibility - £0.750m in 2023/24**

For the period 2020/21 to 2022/23, the Council made an up-front payment of its employer pension contributions to the Greater Manchester Pension Fund to generate a revenue budget reduction of £0.900m in each of the three years. Whilst the option to make such a prepayment will be available in 2023/24, the treasury management position of the Council and prevailing interest rates make this a much less beneficial option. The full impact of the £0.900m contribution reduction is offset in part by the Council's ability to generate additional interest on the funds it will not be prepaying thus reducing the financial pressures to £0.750m. The treasury management benefit is expected to reduce by £0.075m in 2024/25, thus increasing the budget requirement.

q) **Market Relocation - £0.542m in 2023/24**

A report presented to Cabinet on 21 September 2022 identified revenue costs associated with relocating the Tommyfield Market to the Town Square Shopping Centre at a value of £0.542m. The budget requires adjustment to reflect this cost and will support the traders in relocating to the new premises and support their sustainability during current challenging times.

r) **Elections Cost Pressures - £0.100m in 2023/24**

The Elections Service has experienced an increase in costs. In recent years this has been dealt with by in year underspends in other areas. There are, however, additional costs anticipated in 2023/24 in regard to premises hire for polling stations and increased postage costs. To ensure adequate budgetary provision, £0.100m is required to be added to the budget.

s) **External Audit Scale Fees - £0.150m in 2023/24**

Following the recent release by Public Sector Audit Appointments (PSAA) of the outcome of their external audit fee procurement exercise, Councils have been advised to expect a major reset in fees to address many of the challenges in the

delivery of an appropriate external audit function. It is expected that fees will increase in the order of 150% resulting in a pressure of £0.150m.

t) **Cost of Living Support - £1.790m in 2023/24**

On 21 September 2022, Cabinet approved Oldham's response to the on-going cost of living crisis. The Council approved investment in services, support and funding to help reduce the impact of the cost of living crisis for Oldhamers but also to widen the safety net for those residents most vulnerable to financial crisis. The Council has committed £3.000m to this initiative in total of which £1.790m will be incurred in 2023/24 and the budget has been adjusted accordingly.

u) **Information Technology – Research and Development Fund - £0.100m in 2023/24**

There is a requirement to enable some feasibility and research work to commence for potential information technology schemes and projects which will allow transformational change to take place and cost savings to be realised. It is anticipated that this will be offset by £0.100m of the assumed £2.600m flexible use of capital receipts.

v) **Increased Expenditure Funded by the passporting of Public Health Grant - £0.354m in 2023/24**

Council policy is to locally ringfence and thereby passport the Public Health Grant (PHG) to Public Health services regardless of whether it is received individually or as part of the Business Rates Top Up grant in the 100% Business Rates Retention Pilot Scheme. This revision to the recurrent expenditure budget is required to reflect an anticipated inflationary uplift to the PHG for 2023/24.

w) **COVID-19 Legacy Costs – (£12.000m) in 2023/24**

In 2022/23, £12.000m was added to the budget to fund any legacy costs in relation to the COVID-19 pandemic, particularly in relation to Children's and Adults Social Care services. It was expected these costs would reduce on a gradual basis with £3.000m being released from the budget each year to 2025/26. It was therefore assumed that £9.000m would be available to support the budget in 2023/24. Given the on-going nature of the COVID-19 related pressures, the concept of COVID-19 legacy has now superseded and budgetary provision consolidated into the mainstream budgets of Children's and Adult Social Care in the sum of £4.500m each. The anticipated reduction in future years has been removed involving a total budget adjustment of £12.000m in 2023/24.

x) **Revised Parish Precept Expenditure (offset by Parish Precept income) - £0.008m**

There has been an increase to the level of Parish Precepts expenditure as a result of the change to the Tax Base (there will be further changes once the increases set by the respective Parish Councils is known at budget setting time). This change has no detrimental impact to the Council as it will be fully funded by increased Parish Precept income.

Summary of Expenditure Pressures

5.7 It is evident that the main pressures identified are in relation to:

- Pay and service inflation
- Unachieved / Reprofiled budget reductions
- Children's Social Care
- Adult Social Care

5.8 The unachieved budget reductions are identified earlier in the report. It should be noted that with the exception of PPL-BR1-512 Information and Communications Technology (£0.020m) which was approved as part of the 2022/23 budget setting process, the remaining items were approved in 2021/22. The majority of 2022/23 approved budget reductions have delivered as planned or alternative savings have been identified by services.

5.9 With regard to Children's Social Care and Adult Social Care, significant resources are being invested in these services on top of pay and service inflation to address the budgetary issues identified in the budget monitoring reports.

5.10 Children's Social Care will have access to a further £14.700m investment in 2023/24 as follows:

- £11.800m to address on-going pressures as outlined in budget monitoring reports and an unachieved budget reduction
- £2.900m for investment that is expected to deliver savings in future years as a result of transformational change

5.11 Based on the figures included in this report, Adult Social Care will have access to additional net resources of £13.730m in 2023/24 and a further £0.492m in 2024/25. The pressures in future financial years will be reliant on the Government's approach to Adult Social Care reform.

Development Fund - £0.000m

5.12 The 2023/24 forecasts initially included a budget of £2.000m to facilitate the funding of corporate priority developments that emerged during the budget process in line with political priorities. In effect, this budget has been applied to offset the range of pressures outlined at section 5.6. For 2024/25, this has been replenished to £3.000m.

Impact of Levies, the Statutory Charge and Contributions (£0.804m)

5.13 The GMCA charges the Council for Waste Disposal and Transport Services in the form of levies and a statutory charge. It also charges for some other regionally provided services. In addition, the Environment Agency also charges a levy for services. The Council has no discretion over the payment of levies and statutory charges. It was assumed the combined increase in charges would be £0.922m in 2023/24. The current forecast is that the costs in 2023/24 will reduce by £1.726m on a one off basis before increasing in 2024/25. Part of the 2024/25 increase (£1.432m) is planned to be funded from reserves. Final levy figures will not be confirmed until all the levying bodies have finalised their budgets, early in 2023.

Funding Adjustments

5.14 The table below sets out originally anticipated funding available to support the 2023/24 budget and subsequent revisions. A key change since the initial estimates were prepared is that it is now assumed that the Business Rates Retention pilot scheme in Greater Manchester will continue for two more years. Whilst the Autumn Statement was effectively silent on the issue, at this stage it is considered that the Government will not amend relevant regulations in order to revise the arrangements for 2023/24, given the available Parliamentary timeline. As Government is aiming to present some financial certainty for two years, the continuation into 2024/25 is considered a reasonable assumption. The detail of the funding adjustments is set out in the paragraphs below including the large movements in Government grant funding and locally generated income. This is due to the change in assumption about the continuation of the Business Rates Retention 100% pilot scheme which has the impact of switching resources between funding streams.

Government Grant Funding – Unringfenced Grants

- 5.15 The MTFS approved at Council on 2 March 2022 included forecasts of Government unringfenced grant funding for 2023/24 and 2024/25. The forecasts, approved in March 2022 assumed that most core Government grants would continue at 2022/23 levels with a small amount of inflation on those grants that had received an inflationary uplift in previous years including Revenue Support Grant (see paragraph 5.18) and Public Health Grant (for which an uplift of £0.354m remains in the estimates). Subsequently information contained in AS22 has been used to revise some of the estimates, especially around Adult Social Care reform.
- 5.16 As set out in the following table, grant funding of £104.933m is anticipated, a reduction of £19.025m however this is mostly mitigated by an increase in Locally Generated Income under the 100% Business Rates Retention Pilot Scheme.

	2023/24 Original	2023/24 Total Revisions	2023/24 Revised November	2024/25
	£000	£000	£000	£000
Business Rates Top Up	(36,500)	(6,777)	(43,277)	(43,638)
Grant in Lieu of Business Rates	(13,368)	(6,103)	(19,471)	(19,471)
Additional Grant in Lieu of Business Rates - Multiplier Compensation	0	(4,000)	(4,000)	(6,000)
Revenue Support Grant	(17,945)	17,945	0	0
Public Health Grant	(18,053)	18,053	0	0
Improved Better Care Fund Grant	(11,412)	224	(11,188)	(11,188)
Social Care Support Grant	(12,132)	0	(12,132)	(12,132)
Recycled Social Care Support Grant	(5,300)	(1,421)	(6,721)	(9,823)
Lower Tier Services Support Grant	(437)	0	(437)	(437)
Independent Living Fund Grant	(2,580)	0	(2,580)	(2,580)
Housing Benefit Administration Grant	(824)	0	(824)	(618)
Council Tax Administration Grant	(378)	18	(360)	(360)
New Homes Bonus Grant	(562)	0	(562)	(562)
Services Grant	(4,467)	1,086	(3,381)	(3,381)
Total Government Grant Funding	(123,958)	19,025	(104,933)	(110,190)

5.17 As advised previously, it has now been assumed that piloting of Business Rates Retention will be maintained thus revising the presentation of grant income, removing separate allocations of Revenue Support Grant and Public Health Grant and reallocating these into Business Rates Top Up, Grant in Lieu of Business Rates and Retained Business Rates. The impact of this realignment remains neutral however it does switch some funding from Government Grant to Locally Generated Income as outlined in the table below, with the adjustment of £0.352m being explained at 5.18.

	2023/24 Original £000	2023/24 Revision to estimates £000	2023/24 Presentational Revisions £000	2023/24 Revised £000
Government Grant				
Business Rates Top Up Grant	(36,500)		(6,777)	(43,277)
Grant in Lieu of Business Rates	(13,368)		(6,103)	(19,471)
Revenue Support Grant	(17,945)	352	17,593	0
Public Health Grant	(18,053)		18,053	0
Locally Generated Income				
Retained Business Rates	(25,663)		(22,766)	(48,429)
Total	(111,529)	352	0	(111,177)

5.18 As well as the presentational changes, five amendments to grant forecasts have been made:

- It was previously estimated that the Revenue Support Grant (RSG) element of Business Rates Top Up funding would receive an inflationary uplift of £0.352m. This assumption has now been removed as shown in the table above, leaving the overall anticipated grant allocation at the 2022/23 level.
- Grant in Lieu of Business Rates is expected to increase by £4.000m as a result of the Government's decision not to increase the Business Rates multiplier as announced in the Autumn Statement. As Business Rates is a complex area, it had previously been assumed that there may be offsetting adjustments resulting in no overall change to grant/Business Rates income.
- An anticipated increase of £0.224m to the Improved Better Care Fund (IBCF) grant is no longer anticipated. As IBCF is passported in full to Adult Social Care, expenditure has been adjusted downwards by a corresponding amount.
- Grant assumed for Adult Social Care reform has been amended in line with the Autumn Statement announcements increasing from £5.300m to £6.721m and by a further £3.102m in 2024/25. However, it is expected that this grant will be amalgamated with the Social Care Support grant at the PLGFS which will enable the grant to fund general increased pressures in Adults and Children's Social Care.
- The Council Tax Administration Grant has been revised by £0.018m in line with final 2022/23 allocations (the notification was received after the 2022/23 budget had been set).
- The Autumn Statement advised that the Government would adjust the grant Councils received as a result of withdrawal of the requirement to pay the employers contribution to the Health and Social Care levy. The Services Grant has therefore been adjusted by £1.086m.

New Homes Bonus Grant

5.19 Within the Autumn Statement and information provided by the Department of Levelling Up, Housing and Communities, there has been no confirmation as to whether the New Homes Bonus Grant will continue as operated for the financial year 2022/23 or if only a final year legacy payment will be received. Should the New Homes Bonus (NHB) grant not continue in its present form then it is likely that the grant will be reallocated. This reallocation is likely to have a more beneficial impact than any uplift in NHB grant arising from new housing constructed in the Borough.

Ringfenced Government Grants

- 5.20 In addition to unringfenced Government Grants and the new Adult Social Care ringfenced grants, the Council already receives a number of other ringfenced grants and the budget assumptions included in this report are based on these grants being allocated to fulfil their intended purpose.
- 5.21 Ringfenced grant allocations are in the main announced alongside or shortly after the PLGFS. Such grants include the Dedicated Schools Grant, Housing Benefit Subsidy Grant, Supporting Families Programme (formerly Troubled Families), Discretionary Housing Payments, Adult Education Budget and Homelessness Prevention Grant.
- 5.22 It is important to note that any spending above the ringfenced grant level can impact on the Council's financial position. It is essential that services funded by ringfenced resources are managed with the same level of challenge and scrutiny as those funded by general resources.

Locally Generated Income

Retained Business Rates

- 5.23 As advised above, the MTFS now assumes that the 100% Business Rates Retention Pilot Scheme will continue into 2023/24. It is assumed that overall resources available to the Council will remain at 2022/23 levels but no gains from the continuation of the pilot scheme have been assumed for either the Council and / or the GMCA as yet.
- 5.24 The current estimated overall Retained Business Rates income for 2023/24 is £48.429m, and is in effect unchanged from that assumed for 2022/23 as there is such potential volatility in this area. The increase shown in the table at 5.28 at a value of £22.766m is wholly attributable to the reallocation of funding as detailed at paragraph 5.17. As with other funding sources, this will be continually reviewed particularly in light of the 2023 Business Rates revaluation as and when new information / forecasts become available and the implications are clearer.

Council Tax

- 5.25 The Council Tax policy for 2023/24 and future years approved at 2022/23 Budget Council was to increase Council Tax by 1.99% for general purposes. There was uncertainty as to whether the Government would permit an Adult Social Care Precept (ASCP) hence this was not included at that time (subsequently there was confirmation that a 1% increase could be made). As advised previously, the Autumn Statement has provided further flexibilities and would permit a further 1% increase for Council Tax for general purposes and also for the Adult Social Care precept. This report has been prepared to align to the original policy of a 1.99% increase for general purposes but final decisions on any increase in Council Tax will not be taken until the Budget Council meeting on 1 March 2023.
- 5.26 The impact of a 1.99% increase is shown in the table below taking Council Tax at Band D from £1,791.68 to £1,827.33 at Band D. An increase of 1% in Council Tax would generate additional resources of £1.048m.

Oldham Council Band D Council Tax 2022/23 £	Proposed Oldham Council Band D Council Tax 2023/24 £	Change £	Change %
1,791.68	1,827.33	35.65	1.99

- 5.27 When the original estimates were prepared for 2023/24, it was assumed that the Council Tax Tax Base would increase from 57,450 to 57,934 (an increase of 484 Band D equivalents). During 2022/23, this position has been continually reviewed and performance in the first half of the year has been better than originally expected. The Council Tax Tax Base has been increased to a figure of 58,500 Band D equivalents. This increase produces additional resources for the Council at a value of £1.036m (split across Council Tax for general purposes and the ASCP), increasing Council Tax income from £106.185m (including Parish Precepts) to £107.221m.

- 5.28 Assuming the Council Tax increase continue at 1.99% with a Tax Base increase of 500 produces Council Tax of £110.288m for 2024/25 as illustrated in the table below.

	2023/24 Original	2023/24 Total Revisions	2023/24 Revised November	2024/25
	£000	£000	£000	£000
Retained Business Rates	(25,663)	(22,766)	(48,429)	(48,429)
Council Tax Income - General Purposes	(93,210)	(911)	(94,121)	(97,071)
Adult Social Care Precept	(12,653)	(125)	(12,778)	(12,887)
Parish Precepts	(322)	0	(322)	(330)
Total Locally Generated Income	(131,848)	(23,802)	(155,650)	(158,717)

- 5.29 It is important to note that the information in this report relates to Council Tax charged by the Council for the services it delivers. The overall headline increase in Council Tax is also influenced by decisions about the Council Tax charged for the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire Services). The intentions in relation to these precepts will be confirmed in early 2023.

Collection Fund

- 5.30 The Collection Fund is a statutory fund held separately from the General Fund of the Council. Due to the impact of COVID-19 and the reduction in both Council Tax and Business Rates collection, the Government, in 2020/21, passed legislation that required Councils to spread any deficit of the Collection Fund in that year over the next three years. This was applied to both Council Tax and Business Rates and was incorporated into the regulatory process of estimating the collection fund deficits in January 2021. This meant that 2020/21 Collection Fund deficits would still be recovered but over a longer time period. After applying this approach, a deficit of £2.370m was to be recovered from the Collection Fund, with the Council element totalling £2.192m in each year of recovery (the Council deficit is made up of a deficit of £0.927m for Council Tax and £1.265m for Business Rates). Due to the better than expected level of both Council Tax and Business Rates income collection (as outlined below), there is now no need to recover the Collection Fund Deficit in 2023/24.
- 5.31 As Collection Fund balances are healthier than had been anticipated, as advised in the month 6 financial monitoring report elsewhere on the agenda, it has been assessed that most of the surpluses in both Council Tax and Business Rates can be drawn down to support the 2023/24 budget setting process as shown in the table below. This gives a net one off benefit of £5.150m for the Council. It should be noted that the overall surplus is higher but the major preceptors are entitled to a share and it would not be prudent to rely on the full surplus as there can be some volatility in the Collection Fund towards the year-end.

Collection Fund Summary – Council Allocations

	Council Tax £000	Business Rates £000	Total £000
2020/21 General Collection Fund Deficit anticipated within the original estimates	927	1,265	2,192
2022/23 General Collection Fund Surplus to be drawn down	(1,947)	(5,395)	(7,342)
Collection Fund Impact 2023/24	(1,020)	(4,130)	(5,150)

Approved Budget Reductions

- 5.32 The Revenue Budget Reports for both 2021/22 and 2022/23 included approved Budget Reductions that had future years impacts, running up to the 2025/26 financial year. A review of these reductions has taken place.
- Further consideration has been given to the budget reduction CHS-BR1-544 Disestablishing the Autism Youth Club (£0.012m) approved as part of the 2022/23 budget process. As a result, this budget reduction with an impact in 2023/24 has been withdrawn.
 - There has been a reprofiling of some of the 2023/24 anticipated benefits related to the Creating a Better Place (CaBP) programme. This is on top of the 2022/23 reprofiling detailed at paragraph 5.6(e). This increases the forecast net gap / budget reduction requirement for 2023/24 although the total budget reduction across the MTFS period remains at a similar level to that which was originally approved.

- 5.33 The impact of the above and the consequent revision to already approved budget reductions across each relevant year are shown in the table below:

	2023/24 Revised £000	2024/25 £000	2025/26 £000	2026/27 £000
2021/22 Approved Budget Reductions	(4,922)	(300)	(303)	0
2022/23 Approved Budget Reductions	(1,895)	(1,150)	0	0
2022/23 Withdrawal of CHS-BR1-544	12	0	0	0
Reprofiling of CaBP	3,150	(4,250)	(747)	(100)
TOTAL	(3,655)	(5,700)	(1,050)	(100)

Flexible Use of Capital Receipts

- 5.34 After the MTFS had been prepared in March 2022, the Government announced that the ability to use capital receipts to support the cost of transformational activities the ‘Flexible Use of Capital Receipts’ will continue in 2023/24 and also 2024/25. The revised budget projections now include £2.600m of capital receipts to support transformational activity in 2023/24 and 2024/25.

Approved Use of Reserves

- 5.35 As part of the 2022/23 budget strategy, to allow time for transformation change to take place, the Council approved the use of £6.000m general reserves to support the 2023/24 budget and a further £2.500m for 2024/25. As advised above, a further £2.900m is proposed to be used to support investment in Children’s Social Care in 2023/24 and in 2024/25 a further £1.432m to support the increase in levies.

6 Availability of Reserves

- 6.1 As detailed elsewhere on the agenda, the Month 6 revenue budget monitoring report advises that the forecast year-end Earmarked Reserves position for 2022/23 is £75.411m (£99.227m at 1 April 2022). Furthermore, it is anticipated that the closing balance for Revenue Grant Reserves in 2022/23 will be £5.240m (£10.731m at 1 April 2022). Therefore, the total amount of reserves held by the Council at the end of the financial year is estimated to be £80.651m.
- 6.2 A number of the reserves held by the Council are committed to finance expenditure planned for future financial years meaning they are not available for alternative uses. This includes a further £8.500m to support the revenue budget over 2023/24 (£6.000m) and 2024/25 (£2.500m) plus a further £2.900m to support investment in Children's Social Care in 2023/24 and £1.432m to support increases in levies in 2024/25. Other reserves that are committed although the profiling is as yet to be determined are the:
- Integrated Working Reserve, to enable joint working with NHS partners to support health and social care integration.
 - Regeneration Reserve, to facilitate up-front expenditure linked to capital projects including the Creating a Better Place Strategy.
 - Transformation Reserve, to facilitate the continuation of existing and implementation of new transformational activity that will support improvements in service delivery as well as create efficiencies and budget reductions.
- 6.3 Whilst the Council has previously agreed to utilise some reserves to support the 2023/24 and 2024/25 revenue budgets, with estimated reserves of £80.651m available at the start of 2023/24, Members can be assured that Oldham Council currently remains financially resilient.

7 Overall Budget Reduction Requirement

- 7.1 Considering all of the adjustments set out above, the total probable budget reduction requirement for 2023/24 is currently estimated at £27.975m as shown in the table below.
- 7.2 The table also shows the forecast budget reduction requirements for 2024/25. Whilst the budget gap for 2024/25 appears to have reduced to £14.575m, this is only the case if all of the £27.975m is addressed on a recurrent basis.

	2023/24 Original £000	2023/24 Total Revisions £000	2023/24 Revised November £000	2024/25 £000
2022/23 Net Revenue Budget	250,517		250,517	265,733
Total Adjustments to the Base Budget	11,584	460	12,044	8,600
Total Expenditure Adjustments	18,119	28,987	47,106	12,560
Total Development Fund Expenditure	2,000	(2,000)	0	3,000
Total Impact of Levies, the Statutory Charge and Contributions	922	(1,726)	(804)	5,821
Total Expenditure	283,142	25,721	308,863	295,714
Total Government Grant Funding	(123,958)	19,025	(104,933)	(110,190)
Total Locally Generated Income	(131,848)	(23,802)	(155,650)	(158,717)
Total Collection Fund (Excluding the Impact of Business Rates Reliefs)	2,192	(7,342)	(5,150)	0
Total Funding	(253,614)	(12,119)	(265,733)	(268,907)
Budget Reduction Requirement	29,528	13,602	43,130	26,807
2021/22 Approved Budget Reductions	(4,922)	0	(4,922)	(300)
2022/23 Approved Budget Reductions	(1,895)	0	(1,895)	(1,150)
Revisions / Reprofiling of Approved Budget Reductions		3,162	3,162	(4,250)
Total Flexible Use of Capital Receipts	0	(2,600)	(2,600)	(2,600)
Total Use of Reserves	(6,000)	(2,900)	(8,900)	(3,932)
Net Gap/Budget Reduction Requirement	16,711	11,264	27,975	14,575

8 Addressing the Budget Reduction Requirement

8.1 The specific proposals to address the budget reduction requirement for 2023/24 and support the achievement of a balanced budget for 2024/25 are currently being prepared and will be presented for consideration at the Policy Overview and Scrutiny Committee at its meeting on 26 January 2023. The key themes to address the budget gap build upon the on-going programme of transformational change which has been in place for several years. These themes include:

a) Demand Management/Transformational Change

Managing demand is an essential element of controlling and reducing costs. If there are ways in which issues experienced by residents can be addressed at an earlier stage, before more expensive interventions are required from the Council, then there is a better outcome all round. A challenging and potentially stressful situation has been avoided and a less expensive means to resolve issues has been found. Reviews of key Council service provision, but particularly Adult Social Care and Children's Social Care will therefore be linked to the managing of demand and therefore taking cost out of the system. As advised earlier in the report, specific investment in Children's Social Care is being made to enable such transformational activity.

The Council will also be working with key partners, including further developing the approach to integrating health and social care and using funding available for the Council and the Oldham ICB to work together collaboratively around a change and efficiency programme.

The Council will be continuing its existing transformation programme which is linked to demand management and includes areas such as:

- **Digitisation**

Improving and strengthening the digital access to services will enable residents to access services more easily whilst helping to drive efficiency and savings through effective demand management. The digital infrastructure will underpin a modern and forward looking Borough reflecting the expectations of transacting with the Council. Investment funding for digital and technology initiatives is included in the Capital Programme.

- **The Creating a Better Place Programme**

The Creating a Better Place Programme is supporting the rationalisation and transformation of the Council's corporate estate, realising efficiency savings by asset disposals and supporting investment by the generation of capital receipts.

b) Income Maximisation

The Council has an approved income strategy and is pursuing the key objectives to maximise the income it generates. The Council aims to maximise income by:

- Reviewing fees and charges on an annual basis to support the budget process – proposals will be presented in January 2023
- Using corporate initiatives such as "Creating a Better Place" to improve the resilience of both Council Tax and Business Rates income supporting housebuilding and encouraging business set up within the Borough
- Utilising current partnerships and working with new partners to generate new housing and commercial buildings on key regeneration sites, again to support Council Tax and Business Rates income

-
- Through traded services by further exploring the opportunities for generating income from external clients to support the income base of the Council and offset the cost of service provision
 - Ensuring that outstanding debt is minimised
 - Using the External Funding Group to maximise grant income and bid for appropriate external resources for both revenue and capital priority projects to reduce the contribution for specific Council funding and where appropriate reduced borrowing/ financing charges

In addition, the Council will consider its Council Tax policy as the Autumn Statement has provided some additional flexibility and therefore options to consider.

c) Service Reductions

As would be expected, all Departments across the Council are in the process of reviewing all budget areas to identify potential savings / efficiencies and the impact any reduction would have on the delivery of services. These will be presented for consideration in January 2023.

d) Reserves and Balances

In the light of the risks and uncertainties highlighted in the present financial projections, it is important to maintain a healthy and robust level of reserves and balances. In line with good budget management practices within the Authority, there may be an opportunity to replenish reserves to improve financial resilience. This will be considered during the final accounts processes for respective financial years.

The continued reliance on the use of reserves to balance the budget is not without risk but with a planned approach, the availability of reserves to support the investment in transformation and other corporate initiatives is an important element of the financial strategy. The use of reserves to support transformational activity will be considered alongside the proposed programme of change/budget reductions.

- 8.2 As advised above, work is taking place on proposals to balance the budget for 2023/24 specifically and to ensure that the foundations are in place to address the anticipated budget reduction requirement for 2024/25. Such proposals, together with the full suite of reports that support the budget setting process will be presented for scrutiny at the Policy Overview and Scrutiny meeting on 26 January 2023. After having considered the comments of the Scrutiny Committee, the budget reduction proposals and reports will be considered by Cabinet on 13 February 2023 and then Council on 1 March 2023.
- 8.3 It is recognised that the budget decisions can have far reaching implications for individuals, families and groups and it is therefore important that their opinions are heard and considered before final decisions are taken. Therefore, aligned to this formal reporting process will be a programme of consultation with staff and Trades Union representatives, Oldham residents and the business community.
- 8.4 Budget setting for 2023/24 is proving to be every bit as challenging as in previous years, if not more so due to the unprecedented external issues as outlined at the introduction to the report. However, once the PLGFS has been received, there will be greater clarity on Government funding levels. Budget estimates will continue to be reviewed. The reports from January onwards will therefore encompass final information to facilitate formal decisions to be made on the budget for 2023/24.

9 2025/26 and Future Years

- 9.1 The report does not provide any updated projections for the financial year 2025/26 or future years. Whilst AS22 gave an indication of the overall level of Government funding for Local Government, there is such uncertainty that at this stage predicting the future impact is not considered appropriate for this report. The main uncertainties at this stage are:
- a) There will need to be a general election in late 2024 or early 2025 which may change Government priorities.
 - b) Whether the Government has enough tolerance within its current contingencies to deal with an unforeseen financial shock.
 - c) The predictions upon which Government projections are based will need revision as the actual pressures on the public finances such as energy support become clearer.
 - d) The current three year spending review period for Government ends at 31 March 2024 and will need to be refreshed.

- 9.2 The updated budget report presented to Members in January 2023, will be informed by the PLGFS and further indications of Government intentions and will include a projection of the financial position for the Council up to 2027/28.

10 Options/Alternatives

- 10.1 There are two options as follows:

- Option 1 – The Cabinet can approve the updated financial projections as set out in this report for 2023/24 and 2024/25 as at 12 December 2022.
- Option 2 – The Cabinet can propose an alternative updated financial projection and revise the forecasts for 2023/24 and 2024/25.

11 Preferred Option

- 11.1 The preferred option is Option 1.

12 Consultation and Communications

- 12.1 Prior to a budget being agreed for 2023/24, public consultation on our proposed measures to close the budget gap will take place, so that members of the public can give their views on our proposals and also put forward their own ideas on how savings could potentially be made.
- 12.2 Details of this consultation, including how to take part, will be publicised on our communications channels online, on social media and in the press. Feedback from members of the public will help us shape our final Budget proposals for the coming financial year.

Jeni Harvey (Head of Communications and Research)

13 Financial Implications

- 13.1 Financial Implications are dealt with in full within the detail of the report.

14 Legal Services Comments

- 14.1 As budget proposals are developed, any specific Legal implications associated with the proposals will be included in detail within the individual budget reduction proformas.

15 Co-operative Agenda

- 15.1 As a Co-operative Council, Oldham is committed to reforming public services and encouraging innovation, leading to better outcomes and delivery. The revenue budget projections have been prepared so that they support the Council's co-operative agenda with resources being directed so that the aims, objectives and co-operative ethos of the Council are delivered.

Jonathan Downs (Corporate Policy Lead)

16 Human Resources Comments

- 16.1 The report provides a comprehensive summary of the position relating to finances, including identifying the difficult and volatile external factors within which current budget setting exists. As staffing makes up a significant element of budget costs, it will be key to understand the specific impacts on staffing and workforce as detail emerges over the coming weeks. Whilst the economic picture outlines a lengthy recession, the labour market still remains volatile with vacancies outstripping supply, and attracting and retaining staff at all levels remains a significant issue for many of our services. Reform of the workforce to meet organisational priorities is key to successful delivery for residents and any budget reduction proposals with workforce implications will be appropriately consulted on and opportunities to consider redeployment will be fully maximised.

Vikki Morris (Assistant Director of Human Resources and Organisational Development)

17 Risk Assessments

- 17.1 There are a wide range of issues which could impact on the assumptions and projections. These include the funding allocated by Government in the PLGFS, Council Tax policy, Council Tax and Business Rate collection, the decisions relating to levies and precepts, inflationary pressures, interest rates and economic forecasts. A regular review of these will ensure that any key changes are highlighted immediately.

Mark Stenson (Assistant Director of Corporate Governance and Strategic Financial Management)

18 IT Implications

- 18.1 As budget proposals are developed, any specific IT implications associated with the proposals will be included in detail within the individual budget reduction proformas.

19 Property Implications

- 19.1 As budget proposals are developed, any specific impact on property implications associated with the proposals will be included in detail within the individual budget reduction proformas.

20 Procurement Implications

- 20.1 As budget proposals are developed, any specific impact on the procurement of goods, services etc. will be undertaken in full liaison with the Procurement Service and in compliance with all necessary Council and statutory requirements.

21 Environmental and Health & Safety Implications

- 21.1 Environmental and Health and Safety implications will be considered when dealing with any individual budget proposals as appropriate.

22 Equality, community cohesion and crime implications

- 22.1 As the budget proposals are developed, individual equality impact assessments will be undertaken. This will include an assessment of who is likely to be impacted by the changes, whether they are considered to have 'protected characteristics' under the Equality Act 2010 and if they are, what mitigation activity is proposed to ensure that they will not be disproportionately affected.

Jonathan Downs (Corporate Policy Lead)

23 Implications for Children and Young People

- 23.1 The budget implications for Children and Young people are detailed in full in the body of the report.

24 Equality Impact Assessment Completed?

- 24.1 No Equality Impact Assessment is required for this report as there is no direct impact on any services as this is simply an updating of the budget reduction requirement. However, the new Equality Impact Assessment process will be applied to proposed budget reductions when they come forward for consideration by Members in January 2023.

25 Key Decision

- 25.1 Yes

26 Key Decision Reference

- 26.1 FLC-31-22

27 Background Papers

- 27.1 The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as defined by that Act.

File Ref: Reports to Council 2 March 2022
- Revenue Budget 2022/23
- Medium Term Financial Strategy 2022/23 to 2026/27
The Chancellors Autumn Statement 17 November 2022

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28 Appendices

- 28.1 There are no appendices to this report.