

**REPORT OF CABINET MEMBER FOR FINANCE AND RESOURCES****ANNUAL BUDGET REPORT 2024/25****Purpose of the Report**

1. To approve the Annual Budget Report 2024/25 as recommended by Cabinet on 8 February 2024.

**Background**

2. The Annual Budget Report 2024/25 which was considered by Cabinet on 8 February 2024 is attached as an appendix to this report.
3. The report to Cabinet proposed that Full Council approve the following recommendations:
  - a) The Annual Revenue Budget for Nottinghamshire County Council is set at £638.835 million for 2024/25.
  - b) The principles underlying the Medium-Term Financial Strategy are approved.
  - c) The Cabinet be authorised to make allocations from the General Contingency for 2024/25.
  - d) That the 2.00% Adult Social Care Precept is levied in 2024/25 to part fund increasing adult social care costs.
  - e) The County Council element of the Council Tax is increased by 2.84% in 2024/25. That the overall Band D tax rate is set at £1,807.08 with the various other bands of property as set out in the report.
  - f) The County Precept for 2024/25 shall be collected from the District and Borough councils on the dates set out in Appendix 2, Table 8.
  - g) The Capital Programme for 2024/25 to 2027/28 be approved at the total amounts below and be financed as set out in the report:

Year	Capital Programme
<b>2024/25</b>	£161.296m
<b>2025/26</b>	£69.711m
<b>2026/27</b>	£47.467m
<b>2027/28</b>	£48.601m

- h) The variations to the Capital Programme be approved.
- i) The Minimum Revenue Provision policy for 2024/25 be approved.
- j) The Capital Strategy including the 2024/25 Prudential Indicators and Treasury Management Strategy be approved.
- k) The Service Director – Finance, Infrastructure and Improvement be authorised to raise loans in 2024/25 within the limits of total external borrowings.
- l) The Treasury Management Policy for 2024/25 be approved.
- m) The Council delegates responsibility for the setting of Treasury Management Policies and Practices relating to Pension Fund cash to the Pension Fund Committee.
- n) The implementation of the savings options set out in Appendix B is implemented.
- o) The undertaking of future consultations on savings options where required is approved.

### **Timetable for Decisions**

- 4. On 9 November 2023, a Budget Update report was presented to Cabinet which highlighted the Council's current and medium-term position as well as setting out the approach to tackling the predicted budget deficit. That report was considered by Overview Committee on 23 November 2023.
- 5. A key element of the Council's budget setting process is consultation with stakeholders. As such, a budget consultation went live on 29 September 2023 and closed on 12 November 2023. The outcomes from the Annual Budget Survey 2023 were reported to Cabinet on 21 December 2023 and the responses to the consultation have been taken into account when constructing the 2024/25 Annual Budget.
- 6. The Overview Committee considered a further Budget Update report on 25 January 2024. Specific comments were fed back to Cabinet on 8 February for further consideration prior to Cabinet noting the report and recommending the 2024/25 Annual Budget Report to Full Council.
- 7. Full Council are now required to consider the Annual Budget Report 2024/25 including the revenue budget and capital programme at this meeting. This will enable the 2024/25 budget to be set and approved before the statutory deadline of the end of February 2024.

### **Amendments to the Cabinet Report**

- 8. Since the Annual Budget Report 2024/25 was considered by Cabinet on 8 February 2024, the Council has received confirmation of the Final Local Government Settlement. This has had a negligible effect upon the MTFs and the net budget requirement remains unchanged. The minor changes to 2024/25 grant funding as announced in the Final Local Government Settlement are as follows:-
  - Social Care Grant confirmed at £72.4m (£72.3m was assumed in the Cabinet Report)
  - Service Grant confirmed at £0.8m (£0.7m was assumed in the Cabinet Report).

9. As part of the Final Local Government Settlement, the 2024/25 Public Health Grant was confirmed at £45.5m, £0.3m more than expected. The Public Health Grant is a specific grant and does not therefore impact upon the MTFS.
10. These minor changes to increased Central Government grant and an associated adjustment with Net Transfer to reserves can be seen in the following tables including the final MTFS position for 2024-2028. A detailed breakdown across each of the Portfolios is included in Appendix 1.

**Table 1 – Proposed County Council Budget 2024/25**

Portfolio Analysis	Net Budget 2023/24 £m	Pressures £m	Savings £m	Budget Changes £m	Net Budget 2024/25 £m
Children & Families	155.018	14.709	(0.270)	1.975	171.432
Adult Social Care	259.817	23.099	(1.848)	(2.499)	278.569
Transport & Environment*	118.764	14.607	(3.816)	1.182	130.737
Communities & Public Health	19.141	3.319	(0.144)	0.599	22.915
Deputy Leader & Transformation	4.799	-	-	(1.360)	3.439
Economic Development & Asset Management	25.988	0.120	(0.600)	0.768	26.276
Finance & Resources	45.619	-	-	5.920	51.539
<b>Net Portfolio Requirements</b>	<b>653.228</b>	<b>56.610</b>	<b>(6.678)</b>	<b>8.133</b>	<b>711.293</b>
Corporate Budgets	(57.707)	-	-	(21.457)	(79.164)
Net Transfer (From)/To Reserves	(3.890)	-	-	10.596	6.706
<b>Budget Requirement</b>	<b>591.631</b>	<b>56.610</b>	<b>(6.678)</b>	<b>(2.728)</b>	<b>638.835</b>

\* Includes SEND Transport Pressures

**Table 2 - Proposed Budget 2024/25 - Corporate Budget and Reserves**

	Net Budget 2023/24 £m	Budget Changes £m	Net Budget 2024/25 £m
Flood Defence Levies	0.339	0.016	0.355
Pension Enhancements (Centralised)	2.050	-	2.050
Trading Organisations	1.300	-	1.300
Contingency - General	5.000	-	5.000
Contingency - Pay	10.973	(0.150)	10.823
Capital Charges (Depreciation)	(49.368)	(2.842)	(52.210)
Interest & Borrowing	20.223	(5.000)	15.223
Minimum Revenue Provision (MRP)	12.509	(0.018)	12.491
New Homes Bonus Grant	(1.094)	0.060	(1.034)
Social Care Grant	(55.409)	(16.993)	(72.402)
Council Services Grant	(4.230)	3.470	(0.760)
<b>Subtotal Corporate Budgets</b>	<b>(57.707)</b>	<b>(21.457)</b>	<b>(79.164)</b>
Net Transfer (From)/To Other Earmarked Reserves	(3.890)	10.596	6.706
Transfer (From)/To General Fund Balances	-	-	-
<b>Subtotal Use of Reserves</b>	<b>(3.890)</b>	<b>10.596</b>	<b>6.706</b>

**Table 3 – Analysis of Changes to the Medium-Term Financial Strategy 2024 –2028**

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Year on Year Savings requirement (February 2023 Report)	-	17.6	13.2	-	30.8
Additional Pressures / Inflation	25.8	8.5	5.4	25.4	65.1
Increase in Contingency for Pressures/Inflation Risk	0.3	-	-	-	0.3
Change in Pay / Pension Related Inflation	1.1	2.2	0.1	4.6	8.0
Proposed Efficiencies	(5.4)	(3.7)	(7.2)	-	(16.3)
Amendments to Portfolio base budgets	6.6	1.0	5.3	0.1	13.0
Change in Grant Funding	(41.5)	9.1	-	-	(32.4)
Increase in Council Tax	(8.5)	(0.3)	(0.3)	(10.5)	(19.6)
Change in Council Tax Base assumptions	(0.3)	-	-	(6.1)	(6.4)
Change in Council Tax Surplus	(3.3)	3.3	-	-	-
Variation in use of Reserves	30.8	(38.1)	3.2	2.3	(1.8)
Other Corporate Adjustments	(5.6)	0.4	0.3	0.2	(4.7)
<b>Revised Gap</b>	-	-	20.0	16.0	36.0

11. The confirmed Council Tax figures for 2024/25 are set out in the following paragraphs:

### **Requirement to Raise Local Tax**

12. The Local Tax Requirement is divided by the tax base to arrive at the Band D figure. This figure then forms the basis of the calculation of the liability for all Council Tax bands.

**Table 4 – Local Tax Requirement Calculation**

2024/25	Amount £m	% Funding
Initial Budget Requirement	638.835	100.0
Less National Non-Domestic Rates	(144.308)	22.6
Less Revenue Support Grant	(8.634)	1.4
<b>Net Budget Requirement</b>	<b>485.893</b>	
Less Estimated Collection Fund Surplus	(3.334)	0.5
<b>Council Tax Requirement</b>	<b>482.559</b>	<b>75.5</b>

## County Precept

13. District and Borough Councils collect the Council Tax for the County Council. This is then recovered from the Districts by setting a County Precept. The total Precept is split according to the Council Tax base for each District as set out in Table 5 below.

**Table 5 – Amount of County Precept by District – 2024/25**

District Council	Council Tax Base	County Precept
Ashfield	34,524.50	£62,388,533
Bassetlaw	37,801.62	£68,310,551
Broxtowe	35,224.25	£63,653,038
Gedling	38,962.89	£70,409,059
Mansfield	31,003.40	£56,025,624
Newark	42,531.75	£76,858,275
Rushcliffe	46,989.80	£84,914,328
<b>Total</b>	<b>267,038.21</b>	<b>£482,559,408</b>

14. No further changes have been made to the 2024/25 Annual Budget Report as presented to Cabinet on 8 February 2024.

## Other Options Considered

15. The Council has a statutory requirement to set a balanced budget and to set a Council Tax precept for the 2024/25 financial year. This report meets those requirements.

## Reasons for Recommendation

16. To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2024/25, to allow efficient financial administration during 2024/25 and to provide a basis for the planning of services across the medium-term.

## Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## RECOMMENDATION/S

1) That the following recommendations be approved:-

a) The Annual Revenue Budget for Nottinghamshire County Council is set at £638.835 million for 2024/25.	Table 1										
b) The principles underlying the amended Medium-Term Financial Strategy are approved.	Table 3										
c) The Cabinet be authorised to make allocations from the General Contingency for 2024/25.	Appendix 2, paragraph 73										
d) That the 2.00% Adult Social Care Precept is levied in 2024/25 to part fund increasing adult social care costs.	Appendix 2, paragraph 87										
e) The County Council element of the Council Tax is increased by 2.84% in 2024/25. That the overall Band D tax rate is set at £1,807.08 with the various other bands of property as set out in the report.	Appendix 2 paragraph 88										
f) The County Precept for the year ending 31 March 2025 shall be £482,559,408 and shall be applicable to the whole of the District Council areas as General Expenses.	Paragraph 12										
g) The County Precept for 2024/25 shall be collected from the District and Borough Councils in the proportions set out in Table 5 of this report on the dates set out in Table 8 of Appendix 2.	Table 5 and Appendix 2, Table 8										
h) The Capital Programme for 2024/25 to 2027/28 be approved at the total amounts below and be financed as set out in the report: <div data-bbox="191 1115 1092 1310" data-label="Table"> <table> <tr> <th>Year</th><th>Capital Programme</th></tr> <tr> <td><b>2024/25</b></td><td>£161.296</td></tr> <tr> <td><b>2025/26</b></td><td>£69.711m</td></tr> <tr> <td><b>2026/27</b></td><td>£47.467m</td></tr> <tr> <td><b>2027/28</b></td><td>£48.601m</td></tr> </table> </div>	Year	Capital Programme	<b>2024/25</b>	£161.296	<b>2025/26</b>	£69.711m	<b>2026/27</b>	£47.467m	<b>2027/28</b>	£48.601m	Appendix 2, Table 11
Year	Capital Programme										
<b>2024/25</b>	£161.296										
<b>2025/26</b>	£69.711m										
<b>2026/27</b>	£47.467m										
<b>2027/28</b>	£48.601m										
i) The variations to the Capital Programme be approved.	Appendix 2, Paragraphs 118-122										
j) The Minimum Revenue Provision policy for 2024/25 be approved.	Appendix D										
k) The Capital Strategy including the 2024/25 Prudential Indicators and Treasury Management Strategy be approved.	Appendix E										
l) The Service Director – Finance, Infrastructure and Improvement be authorised to raise loans in 2024/25 within the limits of total external borrowings.	Appendix 2, Paragraph 132										
m) The Treasury Management Policy for 2024/25 be approved.	Appendix F										
n) The Council delegates responsibility for the setting of Treasury Management Policies and Practices relating to Pension Fund cash to the Pension Fund Committee.	Appendix 2, Paragraph 131										

o) The implementation of the savings options set out in Appendix B is implemented.	Appendix B
p) The undertaking of future consultations on savings options where required is approved.	Appendix 2, Paragraph 59
q) The report be approved and adopted.	

**COUNCILLOR RICHARD JACKSON  
CABINET MEMBER FOR FINANCE AND RESOURCES**

**For any enquiries about this report please contact:  
Glen Bicknell, Interim Group Manager – Financial Services**

**HR Comments (MT 12/02/2024)**

The human resources implications are implicit in the body of the report. Where any employment implications arise from any of the identified actions outlined in this report, these will be consulted on and implemented in line with the agreed employment policies and procedures of the Council.

**Constitutional Comments (SSR 13/02/2024)**

Pursuant to the Nottinghamshire County Constitution, Full Council has the authority to receive this report and to consider the recommendation contained within it.

**Financial Comments (NS 12/02/2024)**

The financial implications are set out in the report.

**Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

**Electoral Division(s) and Member(s) Affected**

All