

**Blaby District Council**  
**Scrutiny Commission**

<b>Date of Meeting</b>	7 February 2024
<b>Title of Report</b>	<b>Scrutiny of the Administrations draft 2024/25 Budget Proposals</b>
<b>Report Author</b>	Senior Democratic Services & Scrutiny Officer

**1. What is this report about?**

- 1.1 To detail the findings and conclusions from the Budget Scrutiny sessions for consideration and approval by Scrutiny Commission prior to submission to Cabinet Executive on 26 February 2024.

**2. Recommendation(s) to Scrutiny Commission**

- 2.1 That Scrutiny Commission considers the report and approves the proposed Statement on the Administrations 2024-25 Draft Budget Proposals for submission to Cabinet Executive on 26 February 2024. (To Follow)

**3. Reason for Decision(s) Recommended**

- 3.1 Scrutiny Commission has a mandate to scrutinise the Administration's draft budget proposals and make recommendations to Cabinet which it is obliged to consider before making final recommendations on the Budget to Council.

**4. Matters to consider**

**4.1 Background**

The Administration's 2024/25 draft Budget proposals for the General Fund Revenue Account have been fully considered by the Scrutiny Commission and non-executive members.

Cabinet Portfolio Holders and Senior Officers attended Scrutiny budget meetings to answer questions relating to the draft budget proposals as follows:-

10 January 2024 - Budget Context and Overview

17 January 2024 – Portfolio Holder Question Sessions for:

- Leader
- Finance, People & Performance

- Health, Wellbeing, Community Engagement & Business Support
- Neighbourhood Services & Assets
- Housing, Community & Environmental Services
- Planning Delivery and Enforcement & Corporate Transformation

All figures are as presented at the time scrutiny meetings took place, and do not take account any minor adjustments that may have been made to the budget after those dates.

#### 4.2 Key issues raised by the Executive Director (S.151 Officer):

The key elements of the Local Government Statement that impact on the budget position for 2024/25 are:

- Confirmation of a one year settlement for 2024/25.
- Continuation of New Homes Bonus.
- Council Tax increase thresholds.
- Changes to Business Rate Baseline.
- Information relating to additional funding streams.
- The provisional local government finance settlement 2024/25.

Substantial uncertainty remains surrounding how changes to Business Rate Retention and the Fair Funding Review will affect the Council in future years. These changes were originally proposed for 2020/21, it is now expected that these will not be brought in until 2026/27. While this does not impact the 2024/25 budget directly, the draft Medium Term Financial Strategy (MTFS) illustrates the impact this may have on the Council's finances in the future.

As such, the funding position for 2024/25 is a one year settlement and it is difficult to make assumptions from it as to the level of funding anticipated in future financial years.

#### **Funding the Budget**

The table below illustrates how the budget is funded and shows how the grants provided in the Settlement have contributed to reducing the budget gap forecast in the MTFS.

Sources of funding are as follows:-

	Approved Budget 2023/24 £	Working Budget 2023/24 £	Base Budget 2024/25 £	Variance Compared to Approved Budget
Income from Business Rates	(1,749,109)	(1,724,322)	(3,435,400)	1,686,291
Contribution from Business Rates Reserves	(1,955,656)	(2,277,333)	(287,423)	(1,668,233)
S31 Grant - Business Rates Compensation	(2,587,873)	(2,290,983)	(2,577,177)	(10,696)
Revenue Support Grant	(74,608)	(74,608)	(79,550)	4,942
Lower Tier Services Grant			0	0
Services Grant	(90,200)	(90,200)	(14,193)	(76,007)
Funding Guarantee	(1,530,635)	(1,530,635)	(2,135,789)	605,154
New Homes Bonus Grant	(430,029)	(430,029)	(14,280)	(415,749)
	(8,418,110)	(8,418,110)	(8,543,812)	125,702
Council Tax Deficit	64,864	64,864	94,927	(30,063)
Council Tax	(6,311,930)	(6,311,930)	(6,336,927)	24,997
<b>Funding Envelope</b>	<b>(14,665,176)</b>	<b>(14,665,176)</b>	<b>(14,785,812)</b>	<b>120,636</b>

The table above illustrates that the Council's funding has remained fairly static, only increasing by £120k (£286k if you take into account that the contribution from the Business Rate reserve has reduced from £453k down to £287k).

This reflects:

- Redistributed National Non-Domestic Rates (NNDR) has been forecast to remain static. This may change as we are in the process of assessing the NNDR income which has become more complex following a number of recent changes to how the multiplier is applied across different sizes of business. Unlike previous years there has been little growth to include and increase the Business Rate income. Included in these figures is currently a release of £287k from the Business Rate Reserve.
- Revenue Support Grant £80k – two grants (Council Tax Admin Grant & Family Annex grant) that in the past were provided directly and not part of the settlement have now been badged as RSG. This therefore represents no change in funding other than a small increase.
- Services Grant – reduced from £90k to £14k.
- Funding Guarantee – £2.136m awarded to Blaby to ensure each authority has an increase in core spending power of at least 3%, This is an increase of £605k. In Blaby's case the increase in this grant is reflective of and compensating for the decline in New Homes Bonus funding and the reduction in Services Grant.
- New Homes Bonus (NHB) Grant £14k – a reduction of £416k. This reflects the fact that the Council have not exceeded the base line for NHB to be awarded for growth in housing this year but have benefitted only from affordable properties being built.

- Council Tax precept has increased by £25k. This is before any increase is applied but reflects the increase in the tax base (increase in properties) in the district.

#### Total Budget Requirement Proposal

The proposed General Fund Revenue Account Net Budget Requirement for 2024/25 is £15.767M.

#### Budget Gap

To Follow.

### 4.3 **Proposal**

#### **Statement on the Administrations 2024-25 Draft Budget**

The Scrutiny Commission is asked to approve the following statement for submission to Cabinet Executive in response to the Administrations draft 2023-25 Budget Proposals. **To Follow**

### 4.4 Relevant Consultations

All Non-Executive Members, Portfolio Holders, Senior Officers.

## **5. What will it cost and are there opportunities for savings?**

- 5.1 Opportunities for savings are a key element of examining the Administration's draft Budget proposals and where identified are within this report.

## **6. What are the risks and how can they be reduced?**

- 6.1 Scrutiny will consider the implications of Fair Funding when further details are released by the Government.

## **7. Other options considered**

- 7.1 No other options were considered, Budget scrutiny is a constitutional requirement.

## **8. Other significant issues**

- 8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

**9. Appendix**

9.1 None.

**10. Background paper(s)**

10.1 Meeting of the 'Scrutiny of the Administration's Budget Proposals'  
[10th January 2024](#)

Meeting of the 'Scrutiny of the Administration's Budget Proposals'  
[17 January 2024](#)

**11. Report author's contact details**

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