

Blaby District Council

Scrutiny of the Administration's Budget Proposals

Date of Meeting	15 January 2025
Title of Report	Budget Context Setting and Overview
Report Author	Executive Director (Section 151 Officer)

1. What is this report about?

- 1.1 This is an information report which gives Members an overview of the budget proposals for 2025/26 Financial year. This includes an update on significant points arising from the Settlement of December 2024 issued by the Department of Levelling Up, Housing and Communities and also a projection of the Council's funding position into future years

2. Recommendation(s)

- 2.1 That Members considers the information contained within the reports and comments on the budget process and arrangements for the scrutiny of the budget proposals.

3. Reason for Decision(s) Recommended

- 3.1 To inform and seek Scrutiny's comments on the proposals.

4. Matters to consider

- 4.1 The purpose of the first budget session is to give Members a view of the following:
- Impact of the Settlement December 2024
 - Total Budget Requirement for the Authority 2025/26 financial year
 - Funding the Budget
 - Planned Utilisation of Reserve and Closing the Budget Gap
 - General Budget Assumptions
 - Impact on the Medium Term Financial Strategy (MTFS) financial summary including Future Business Rates and Fairer Funding position

This will be followed with views from the Leader and Chief Executive on the financial settlement and white paper on devolution and government reorganisation.

The second Scrutiny Budget session will be an opportunity for Scrutiny to ask questions of Portfolio Holders regarding the individual portfolio budgets. The information regarding individual portfolio budgets is contained in Appendices F to K.

4.2 Proposal(s)

This information is presented in documents within the appendices and are provided to inform Scrutiny to understand and scrutinise the budget prior to Council considering the budget proposals at February Council. It is important to note that this budget is in draft format and may change prior to the February meeting should additional information becoming available.

4.3 Relevant Consultations

Officers from Finance and all services have worked closely together to compile the draft budget.

4.4 Significant Issues

None

5. Environmental impact

- 5.1 No Net Zero and Climate Impact Assessment (NZCIA) is required for this report. Any assessments required by the services to implement initiatives budgeted for will be undertaken by the services themselves.

6. What will it cost and are there opportunities for savings?

- 6.1 Detailed budgets for each portfolio are included within the appendices, as are the overall budget costs and funding levels.

7. What are the risks and how can they be reduced?

7.1

Current Risk	Actions to reduce the risks
Reductions in the Government Grant Settlement.	This report has been produced following the release of the draft Settlement. It is not expected that the Settlement Funding will alter significantly when finalised. The Council has historically taken a prudent approach in forecasting its core grant funding for the MTFS and modelled scenarios based on information currently available, however there are still risks that some specific funding outside of the Settlement will not be received at the anticipated levels.

	The Council has general fund balances available that can be used in the short to medium term to help address any funding gaps that may arise.
Withdrawal of external funding.	In most cases, external funding has only been built into the base budget where it has been confirmed by external partners. Officers continue to work with partners to minimise the impact of funding cuts on services.
Change to the Business Rate Retention Scheme and the Fair Funding Review.	Changes to Business Rate Retention and funding levels are now expected to be implemented in 2026/27, but it is unknown as to the extent of the changes. The draft MTFS attempts to forecast the impact of this potential change. As further technical consultation papers are released officers will attempt to understand how the changes may impact Blaby. Officers will respond to any consultation papers and if required, lobby central government should there be concern regarding the changes.

8. Other options considered

- 8.1 None. It is necessary for Members to understand the financial context in which the budget is set and the detail of the budget.

9. Appendix

- 9.1 Appendix A – 2025/26 Budget Overview 15th January (to follow)
- 9.2 Appendix B – Analysis of Reserves (to follow)
- 9.3 Appendix C – Schedule of External Funding (to follow)
- 9.4 Appendix D – Establishment Trend information (to follow)
- 9.5 Appendix E – Draft MTFS Financial Summary (to follow)
- 9.6 Appendix F – Leaders Portfolio Budget (to follow)
- 9.7 Appendix G – Finance, People & Performance Portfolio Budget (to follow)
- 9.8 Appendix H – Health, Leisure, Climate and Economic Development Portfolio Budget (to follow)
- 9.9 Appendix I – Neighbourhood Services & Assets Portfolio Budget (to follow)
- 9.10 Appendix J – Housing, Community Safety & Environmental Services Portfolio Budget (to follow)
- 9.11 Appendix K – Planning, Transformation and ICT Development Portfolio Budget (to follow)

9.12 Appendix L – Proposed Capital Programme 2025/26 (to follow)

10. Background paper(s)

None

11. Report author's contact details

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