

Item No. 8	Classification:	Date: 6 February 2024	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy Report: 2024-25 Budget and MTFS update including capital programme refresh	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan - Communities, Democracy and Finance	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COMMUNITIES, DEMOCRACY AND FINANCE

I am happy to present the latest version of the Council's budget.

Work has continued since the December Cabinet version of this report to close the £6.7m budget gap and today's report now presents a balanced budgetary position for 2024-25.

I want to thank Cabinet Members and officers who have worked extremely hard to find savings and efficiencies as well as present commitments that support the commitments in our Council Delivery Plan. All of this has been done whilst ensuring that we are protecting our most vulnerable residents during the cost of living crisis.

Central government decisions on local government funding have been confirmed for one year only, for the sixth year in a row. In addition, many of the reforms to local government have been halted. So, there remains significant uncertainty for local government from an unknown funding position, with an election and new spending review likely in the coming year. Despite the lack of long-term certainty of funding from the Government we have set out a provisional three year financial plan to ensure we are delivering the services and support our residents want and need. This report takes into consideration the Provisional Local Government Settlement and updated the budget proposals for 2024-25 to 2026-27.

Whilst we have been able to present a balanced budgetary position, it has been far from easy. The council faces a number of emerging pressures that are common across many local authorities and accepted as a critical concern for central government. These are the pressures in providing for those that are homeless and in need of temporary accommodation, those that have 'No Recourse to Public Funds' and the increasing numbers of pupils needing support for Home to School transport. Despite the government acknowledging the increasing financial pressures in these areas they have failed to provide any additional funding to help alleviate this.

In December, we noted the scale of the challenge that we looked to be facing for the 2024-25 budget planning process and beyond. We also noted the continuing pressures in the Housing Revenue Account (HRA), with a set of approaches to manage the budget pressures. Today, we have set out a long term financial plan to ensure the sustainability of the HRA.

The report has identified savings options that fit within the overall policy and financial framework, aligning resources to the council's key priorities including commitments around Southwark 2030, Southwark Stands Together, the climate emergency, our Council Delivery Plan and the additional demand pressures.

Against this challenging backdrop, this administration remains determined to keep our promises for a cleaner, safer, fairer Southwark to protect the most vulnerable, reduce inequalities and to continue to focus on the delivery of Southwark 2030.

RECOMMENDATIONS

That cabinet agree the following recommendations to Council Assembly:-

1. the balanced General Fund budget proposals for 2024-25;
2. the general fund budget options proposed to achieve a balanced budget for the period 2024-25 and to significantly close the budget gap for the period 2025-26 to 2026-27 (appendices B to E);
3. the refreshed general fund capital programme for the 10 year period to 2033-34 (appendix J) and the refreshed housing investment programme (HIP) for the 10 year period 2024-24 to 2033-34 (appendix K);
4. in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the local council tax amounts shown in table 3.

That cabinet approve:

5. the housing revenue fund budget for 2024-25 (paragraphs 72-83);
6. the final fees and charges schedule at appendix F;
7. the proposed amendment to Section 3C, paragraph 13 of the council's constitution to increase the threshold at which cabinet approves disposals of leasehold or freehold interests in property and land from £750k to £3m, noting that officers will review the governance arrangements within our existing policy framework.

That cabinet note the following:

8. that the final Local Government Finance Settlement has not been published at the time of writing, any changes from the provisional settlement published on the 18th December 2023, will be set out in the 2024-25 budget report to council assembly on 21 February 2024.
9. the update to the medium term financial strategy 2024-25 to 2026-27, and the current expected cumulative funding gap of £5.4m and £10.8m for 2025-26 and 2026-27 respectively.
10. that the December 2023 cabinet report and budget option schedules were considered by the Overview and Scrutiny committee on 22 January and 23 January 2024 and that the recommendations arising and officer responses are included at appendix I.
11. the Departmental Narratives and equality impact assessments at appendix A.
12. the climate report and Budget Equality Analysis Report 2024-25 (appendices G and H).

13. that the Mayor of London draft budget for 2024-25 includes a proposal to increase the GLA Council Tax precept by 8.6%, equivalent to a £37.26p increase for a band D property.
14. the GLA council tax precept is due to be set on the 22 February, one day after Council Assembly sets the budget for Southwark, therefore (as in prior years) a Council Tax Setting Committee will be convened for 23 February.
15. the Strategic Director of Finance comments on the adequacy of the reserves and the robustness of the estimates in the budget in paragraphs 117-119.

BACKGROUND AND PURPOSE

16. Each year, the council updates a detailed Policy and Resources Strategy covering a period that normally reflects the duration of the government's financial settlement. As part of the Policy and Resources Strategy, and in line with requirements of the Local Government Finance Act, the budget will be approved by Council Assembly for the next financial year on 21 February 2024, as part of the council tax setting process.
17. This year, the council has undergone a three-year budget process. The balanced budget for 2024-25 is set out in this report together with draft budgets, funding gaps and expected further savings required for the following two years, 2025-26 and 2026-27. This approach will enhance the council's commitment to financial planning and efficiency. Most importantly, it ensures that the policies and priorities set out in the council delivery plan are aligned in the medium term to the projected financial resources.
18. During austerity, (2011-12 and 2019-20), the council lost government funding in cash terms of more than £146m. Since then, the council has faced the impact of the pandemic and currently a cost of living crisis. At the same time, the council has also looked to keep council tax as low as possible, recognising the pressure this tax places on all households but particularly the most vulnerable. Southwark remains the eighth lowest council tax rate in London. The impact of constrained income streams, together with increased demand and the increased cost of delivering council services has created significant budget pressures over this 12-year period.
19. This report provides an update on the work undertaken through the budget challenge process and the latest information on available resources following the provisional local government settlement. It considers budget savings and commitments proposed through the budget challenge process for the full three-year period, 2024-25 to 2026-27, ensuring that the council's vision illustrated through Southwark 2030 and the council delivery plan are put at the heart of this budget.
20. The report format follows the December cabinet approach and takes a multi-year view to manage efficiencies within the council and to ensuring financial sustainability in the longer term. It also seeks to bring together reporting requirements into one document, with the appendices providing the detail for cabinet. The report covers:

- The provisional local government settlement 2024-25 and policy announcement
- General Fund (GF) Revenue Budget
- Other Grant Funding
- Revenue Funding from Local Taxation
- Inflation and Pay Costs
- Options to Balance the General Fund Budget
- Fees and Charges
- Use of Reserves and Balances
- Housing Revenue Account (HRA) Budget
- Disposals of Leasehold and Freehold interests of land and property held within the HRA
- Capital Programme Refresh
- Capital Programme Governance Arrangements
- Next steps

KEY ISSUES FOR CONSIDERATION

PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2024-25 (PLGFS) AND GOVERNMENT POLICY STATEMENT 5 DECEMBER 2023

21. The PLGFS was published on 18 December 2023, following the policy announcement on the 5 December. The government announced a 6.5% increase in core spending power, to help councils deal with inflationary and other cost pressures, with extra funding directed for social care. This headline increase has assumed that councils will raise their council tax by the maximum permitted without a referendum.
22. The policy statement on the 5 December, made clear that the provisional settlement would be for one year only given that a general election and spending review is expected in 2024. The proposed principles set out in the policy statement were as follows:
 - a core council tax referendum limit for local authorities of up to 2.99%;
 - a social care precept of 2%;
 - Revenue Support Grant (RSG) in line with the September 2023 Consumer Price Index (CPI) of 6.7%;
 - Additional (but previously announced) funding through the social care grant for adult and children's social care and the market sustainability and improvement grant for adult social care.
 - Some funding for the 'New Homes Bonus (NHB) payments' in 2024 to 2025 and continuation of the Services Grant at a reduced rate.;
 - The Statutory Override for the Dedicated Schools Grant to continue until 31 March 2026;
 - Reforms to local government finance delayed until the next Parliament.

23. The Provisional Local Government Financial Settlement (PLGFS) confirmed this funding approach and set the individual provisional allocations. The broad approach was no change to the 2023-24 settlement funding. The permitted council tax and social care precept increases were at the same level as previous years, and government grants generally updated to September 2023 inflation at 6.7%. The only changes in the unring-fenced grants were to reduce the funding allocations of the new homes bonus and the services grant. The current distribution of grants was preserved, with planned reforms to local government finance deferred again to after the 2024 general election.
24. The additional funding for social care pressures was confirmed at the PLGFS, and this is to be welcomed. However, it will not be enough in the longer term to address the severity of the pressure facing social care services. In addition, there was no indication of how the delayed adult social care reforms would be financed, given that the funding allocated for this has been re-cycled to support current pressures.
25. Following the PLGFS, the government announced on the 24 January 2024 that there would be a further £600m distributed to local authorities at the final settlement in February 2024. £500m is to be added to the Social Care Grant and £100m mainly earmarked for rural authorities and internal drainage boards. Local authority allocations are due at the final settlement. It is estimated that the council will receive an additional £3m in ring-fenced social care grant, although it is expected that this will be a 'one-off' increase, rather than recurring.
26. Crucially, of the headline 6.5% increase in 'Core Spending Power' announced at the PLGFS, 53% of that increase is simply the assumption that all councils will increase their council tax by the maximum amount, over a third of the increase is ring-fenced to social care and less than 12% of the growth is in un-ringfenced grant funding.

GENERAL FUND REVENUE BUDGET

27. In accordance with instructions from the December 2023 cabinet, this report provides updated budget proposals for 2024-25 to 2026-27. These proposals present a balanced budget for 2024-25 and initial estimates of the likely funding gap for 2025-26 and 2026-27.
28. The balanced position for 2024-25 has been achieved under challenging economic circumstances including continuing high levels of inflation and interest rates and increases in pay awards.
29. Table 1 shows a summary of the three year budget (2024-25 to 2026-27).

Table 1: Revenue Budget 2024-25 to 2026-27

	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m
Un-Ringfenced Government Grants	(82.4)	(84.4)	(79.3)	(79.3)
Revenue Support Grant	(42.2)	(45.0)	(45.0)	(45.0)
Top-Up	(32.9)	(34.3)	(34.3)	(34.3)
Services Grant	(4.7)	(0.7)	-	-
New Homes Bonus	(1.7)	(4.4)	-	-
One-Off NNDR Levy release (Final settlement)	(1.0)			
Ringfenced Government Grants	(78.7)	(88.7)	(88.7)	(88.7)
Public Health Grant	(29.5)	(30.9)	(30.9)	(30.9)
Social Care Grant	(27.6)	(33.1)	(33.1)	(33.1)
Improved Better Care Fund (iBCF)	(17.8)	(17.8)	(17.8)	(17.8)
ASC Market Sustainability & Improvement Fund	(3.7)	(6.9)	(6.9)	(6.9)
TOTAL GOVERNMENT FUNDING	(161.1)	(173.1)	(167.9)	(167.9)
Council Tax	(137.7)	(145.3)	(158.8)	(170.0)
Council tax baseline funding	(128.6)	(137.4)	(148.2)	(158.8)
Council tax base growth	(2.3)	(3.8)	(3.0)	(3.2)
Council tax - annual increase	(3.9)	(4.2)	(4.5)	(4.8)
Council tax - Social Care precept	(2.6)	(2.8)	(3.0)	(3.2)
Council tax - estimated (surplus)/deficit	(0.3)	2.9	-	-
Business Rate Growth	(136.1)	(134.8)	(136.8)	(136.8)
Retained Business Rates	(98.1)	(102.8)	(102.8)	(102.8)
S.31 Grants	(27.4)	(28.2)	(28.2)	(28.2)
S.31 Grant for Business Rates Top-Up	(5.6)	(5.8)	(5.8)	(5.8)
Business Rates - estimated (surplus)/deficit	5.3	1.9	-	-
Support for deficits	(5.2)			
BRR - S.31 grants c/f	(5.0)			
COUNCIL TAX AND RETAINED BUSINESS RATES	(273.8)	(280.1)	(295.5)	(306.8)
Total Funding before contributions from balances	(434.8)	(453.3)	(463.5)	(474.7)
Contribution from earmarked reserves	(2.5)	(2.5)	(2.5)	-
TOTAL RESOURCES	(437.3)	(455.8)	(466.0)	(474.7)
Prior Year Budget	391.1	437.3	455.8	466.0
Inflation				
Pay Awards	5.9	9.5	10.0	6.3
Pay Awards 22/23 unbudgeted pressure	5.5	-	-	-
Contractual Inflation	14.6	9.8	9.0	6.3
Contractual Inflation (Social Care & PH)	14.9	9.4	8.5	5.6
Contractual Inflation (2022/23 unbudgeted pressure)	3.4	-	-	-
Energy price inflation on Council Buildings	4.5	-	-	-
Commitments & Contingency:				
Other Growth and Commitments	13.8	8.7	3.7	2.7
Reverse one-off commitments	-	(0.8)	-	-
Debt Financing (approved programme)	-	2.5	2.0	2.0
Budget Before Savings & Efficiencies	453.7	476.5	488.9	488.8
Budget Gap before Savings & Efficiencies	16.4	20.8	22.9	14.1
Savings				
Effective use of resources and efficiencies	(12.8)	(13.1)	(9.4)	(6.1)
Income, Fees and Charges	(2.5)	(7.5)	(6.7)	(2.6)
Other Savings	(1.1)	(0.2)	(1.4)	(0.1)
TOTAL SAVINGS	(16.4)	(20.8)	(17.5)	(8.7)
TOTAL BUDGET	437.3	455.8	471.4	480.1
<i>In-Year Gap</i>			5.41	5.38
TOTAL SHORTFALL (cumulative)	-	-	5.41	10.79

Un-ringfenced grants

30. The headline increase in the Revenue Support Grant (RSG) for 2024-25, and business rate top up grant increased by 6.7%, September CPI.
31. The Services Grant was billed as a one-off grant for 2022-23, distributed on the same basis as the Settlement Funding Assessment (SFA), at £8m. The grant continued into 2023-24 at a significantly reduced rate (£4.7m), and has been continued again for 2024-25, at a further much reduced rate of £0.7m. It is not expected that this will continue post 2024-25.
32. The New Homes Bonus (NHB) was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. In 2026-17, the council received £16m from this grant. Following a review of the funding, the grant has reduced year on year from 2017-18. The grant for 2024-25 is £4.4m.
33. Overall, the increase in un-ringfenced grants for Southwark was 2.5%, a real terms reduction in funding.

Ring-fenced grants

Public Health Grant

34. Southwark's allocation in 2024-25 is £30.9m an increase of £1.4m from the 2023-24 allocation.

Social Care Support Grant

35. As part of the 2022-23 settlement, the government distributed £2.3bn nationally to support local authorities with the rising cost and demand pressures on social care services. It was confirmed that this grant would continue into 2023-24, which was originally intended for adult social care reform. The 2024-25 allocation for Southwark is £33.1m - an increase of £5.5m, which again originally was intended to support the reforms to adult social care, rather than the current pressures in social care costs. It has been reported that further grant allocations are to be made at the final settlement for social care, any changes will be reported to Council Assembly in February 2024.

Improved Better Care Fund (IBCF)

36. The Improved Better Care Fund remains cash flat at £17.8m.

Market Sustainability and Improvement Funding

37. This grant was introduced in 2022-23 to support local authorities to prepare their social care markets for reform and to move towards paying providers a fair cost of care. This continued in 2023-24 and included new grant funding to address discharge delays, social care waiting times and workforce pressures at £3.7m. In 2024-25, this will have risen to £6.9m.

38. Overall, the increase in ring-fenced funding is 12.7%, a 6% increase in real terms to address demand and cost pressures in social care.

OTHER GRANTS

Dedicated Schools Grant (DSG)

39. Allocations for the Dedicated Schools Grant (DSG) were published alongside the provisional local government settlement. The council received increased allocations supporting the rollout of the wider 'Early Years' provision offer to 2 year olds and under 2's. Other allocations of the DSG funding were in line with expectation. The High Needs Block remains the main risk area for the DSG in the medium term. In order to bring the service to a sustainable footing officers need to continue to pursue savings and efficiencies.
40. In order to manage the accumulated historical DSG deficit the Council entered into a Safety Valve agreement with the Department of Education (DfE) in 2022 - 23. The key to this programme is the agreement to ensure an in year balanced position within the timeframes agreed. As part of the agreement the council is expected to receive a total of £23m in instalments subject to satisfactory progress against the agreed milestones. The council received the first instalment of £9.22 in 2022-23 leaving an accumulated DSG deficit of £14.5m as at 31 March 2023. In 2023-24 the council is on track to receive the agreed £2.77m in line with the Safety Valve agreement, and is expected to meet all future milestones.

Household Support Fund (HSF)

41. The council received £5.5m of central government funding for the cost of living crisis by way of the Household Support Fund grant in 2023-24. There has been no announcement in the provisional settlement that this will continue into 2024-25. This will be a significant funding loss for the council, if this is not continued and consideration will need to be given to how the council will continue to support those most in need.

Holiday Activities and Food Programme (HAF)

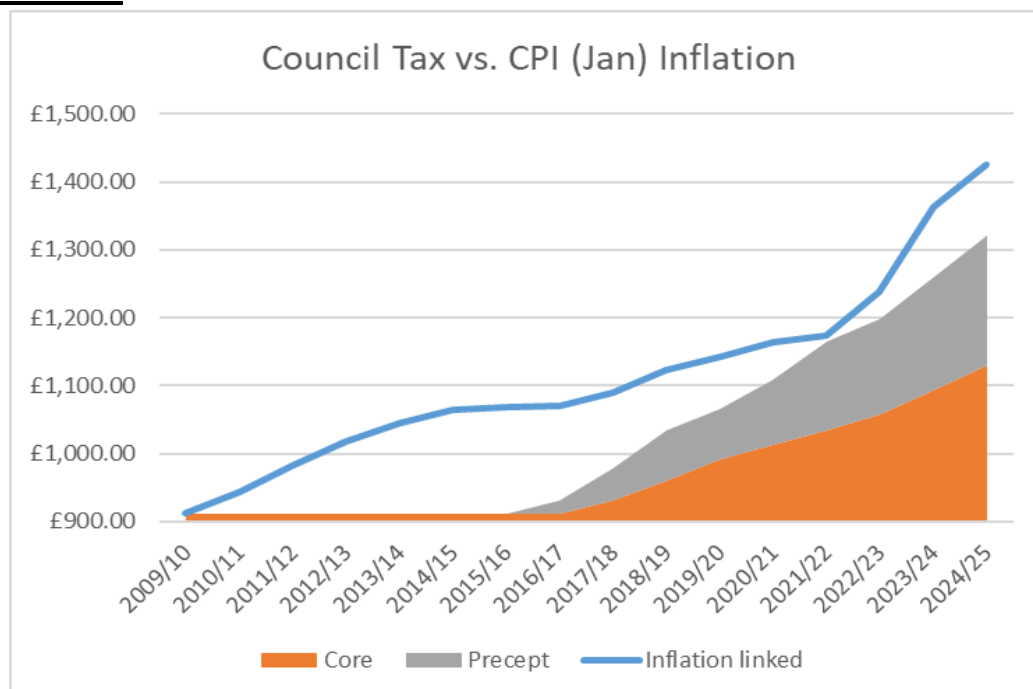
42. In 2021, the government announced a three year funding package for holiday activities and food programmes. The first year of the funding was for 2022-23 and was to coordinate and provide free school holiday provision, food and enriching activities for those children from low income households. The council was allocated £1.5m in 2023-24 of grant funding to deliver the HAF programme. The majority of the funding has been directly awarded as grant funding to local holiday provision providers to deliver the programme. The third year of funding for 2024-25 has yet to be announced.

REVENUE FUNDING FROM LOCAL TAXATION

Council Tax

43. The council is committed to keeping the council tax low. The Southwark element of council tax was frozen from 2008-09 until 2017-18 when financial pressures and the cumulative impact of reduced government funding meant that it was no longer sustainable to hold this position.
44. The 5 December government policy statement confirmed that the core council tax referendum limit for local authorities is up to 3%. This rule remains unchanged from 2023-24. Again, it is assumed that local authorities will use this additional flexibility to fund council services.
45. The council has been able to maintain the eighth lowest level of council tax in London in 2023-24, despite having incurred some of the largest reductions in government grants. Throughout this period, the government applied a cap on any council tax increases. The purpose of this cap is to ensure that 'excessive' council increases occur only where councils have a clear mandate from local people. This level has not been exceeded by Southwark to date. Table 2 below shows that council tax still remains below the level it would have been if CPI had been applied each year since 2010-11.

Table 2: Comparison of Actual (and proposed) Council Tax increases vs. Inflation



46. The Council Tax Relief Scheme provides support for our financially vulnerable residents. The December council tax base report confirmed that there would be no changes to the scheme for 2024-25 for those of pension age, the vulnerable and the least well off households.

47. In the past, the government provided local councils with additional support of up to £25 for those residents in receipt of local council tax support, with some flexibility to determine local approaches to support other vulnerable households. Southwark council's share of this allocation was £0.628m in 2023-24. This has been discontinued in 2024-25.

Social Care precept

48. Since 2016-17, the Government has provided flexibility to local authorities to increase council tax to provide a contribution towards the significant financial pressures in social care. The government have kept the 2% precept rate in 2023-24 for 2024-25. This equates to £2.8m per annum. The social care spending plans assume this level of additional funding will be available. The government's spending power calculation assumes that all authorities with social care responsibilities will increase the precept in line with the guidance.

Southwark Element of the Council Tax

49. Southwark increased council tax in 2023-24 by 4.99%, with 27 London councils choosing also to increase council tax by the maximum amount permissible. This is indicative of the cumulative impact of financial stress across local authorities in London.
50. In the context of pressures on council finances, the resilience of reserves and the historical year on year reductions in spending power, council tax remains a key source of income for the council. An increase of 2.99% in council tax amounts to £4.2m income.
51. The impact of an increase in council tax of 4.99% (2.99% plus 2% Social Care precept) will mean that residents in Band D properties will see a council tax bill rise of approximately £1.20p per week (excluding any increase levied by the GLA).
52. The amount of social care precept and local council tax to be charged to residents in 2024-25 is detailed in the Table 3, calculated in accordance with Sections 30 and 36 of the Local Government Finance Act 1992. These have increased by 2.00% and 2.99% respectively, the maximum permitted.

Table 3 Draft council tax rates for 2024-25

Band	Factor	Social Care precept(£)	Core Council Tax (£)	Total Southwark Charge (£)
-A	5/9	99.54	634.67	734.21
A	6/9	119.45	761.61	881.06
B	7/9	139.37	888.53	1,027.90
C	8/9	159.25	1,015.49	1,174.74
D	9/9	179.18	1,142.40	1,321.58
E	11/9	218.99	1,396.27	1,615.26
F	13/9	258.82	1,650.13	1,908.95
G	15/9	298.63	1,904.01	2,202.64
H	18/9	358.36	2,284.80	2,643.16

GLA Precept

53. The Greater London Authority (GLA) sets an overall precept for London on an annual basis. The precept is the Mayor of London's part of the Council Tax and is collected by London Boroughs and the Corporation of London. The precept collected contributes funding towards services provided by the GLA, including the Mayor's Office for Policing and Crime, the London Fire Brigade, Transport for London and the Greater London Authority.
54. The Mayor of London draft budget for 2024-25, includes a proposal to increase the GLA Council Tax precept of 8.6%, equivalent to £37.26 increase for a band D property. This means the total impact of council tax increases (both Council and GLA) for those living in Band D properties will be approximately £1.92p per week. The final precept will not be formally approved until the London Assembly budget meeting which is scheduled for 22 February 2024. The precept is in addition to the amounts charged by Southwark Council which are listed in Table 3 above.

Council Tax Collection

55. As reported in the 2024-25 Council Tax Base report at December cabinet, there continues to be some growth in the number of dwellings. The report recommends that the collection rate be maintained at 97.2%, but given the current economic climate, this target is challenging for the forthcoming year. The revenues collection teams will be reviewing approaches to collection and enforcement, where possible, to maintain levels of performance. There will be a continuation of the local discretionary increase in the council tax premium on long term empty homes in 2024-25. There are no changes in the council tax reduction scheme for 2024-25 for the pension age or vulnerable or least well off households.

Business Rates

56. The 2024-25 budget includes a forecast assumption that business rate income will be £134.8m. The economic recession and business rate revaluation adds to the challenges of managing any volatility in business rate yields. This area of funding remains highly uncertain.

INFLATION AND PAY COSTS

57. Inflation has been a key risk to the council's budget in 2023-24 with inflation at a high of 8.7% in April 2023, and reducing to 4% in December 2023. The autumn statement assumptions expected inflation to be 4.8% overall in 2023-24 and to fall back down to the target 2% in the medium term. ONS data shows that the largest contributions came from housing and household services, principally energy costs, and food costs. Very high energy costs have put increasing pressure on council budgets in 2023-24, whilst continuing high rates of food inflation will have a greater impact on low income households, who spend a greater proportion of their household budget on food. This in turn will create further demand on council services.
58. The provisional settlement increased the revenue support grant element of government funding by September CPI of 6.7%. But other government grants were reduced and funding directed towards ring fenced grants. The impact of high levels of inflation has not been fully funded for 2023-24. The proposed budget for 2024-25 budget has set aside some resources for the impact of expected inflation.

OPTIONS PROPOSED TO BALANCE THE BUDGET

59. The initial three year financial outlook for 2024-25 to 2026-27 was reported to cabinet in July 2023. This is the start of the council's 'budget challenge process', which culminates in the setting of a balanced council budget in February 2024. It provides a framework for budget discussions, through a medium term financial strategy (MTFS), giving an early view of the likely gap in council funding for the following year.
60. The budget challenge process this year has focussed on identifying savings over the three year period, together with identifying council-wide transformation programmes to reconfigure services and the corporate centre to support the council delivery plan priorities. Subsequent reports on reducing the funding gap and setting a balanced and robust budget have been presented to cabinet in October and December and to the Overview and Scrutiny committee in January 2024. This has ensured that all the options put forward have undergone a thorough, transparent and rigorous scrutiny process.
61. The budget has been compiled in a period of ongoing financial uncertainty. The report considers the most likely financial position to be faced by the council in 2024-25 based on the provisional settlement and a prudent view of interest and inflation rates. For the following 2 years, assumptions are necessarily based on a prudent, best-estimate basis which will be refined over the 2024-25. The final schedules, which detail the individual efficiencies, savings, commitments and income generation are detailed in appendices B-E.

Efficiencies and Improved Use of Resources

62. The council is committed to keep council tax low by delivering value for money across all of our services. In part, this is met through ensuring that the council is focussed on meeting the budget gap with proposed efficiency savings. These options largely involve achieving the same outcomes for residents by doing things differently. The total budget proposals include efficiency savings of £13.1m in 2024-24 (detailed in appendix B).

Income Generation

63. As the council looks for ways to protect front line services, consideration is given to maximising the council's income generation by seeking income streams in line with council policies and priorities. The council will seek to generate additional income by reviewing fees, charges and contributions and seeking further opportunities to provide commercial services. The total budget proposals include additional income generation of £7.5m in 2024-25 (detailed in appendix C).

Savings Impacting on Service Delivery

64. Wherever possible, the aim is to continue to protect front line services from saving reductions. However, the extent of the government austerity measures means that after careful consideration, it is inevitable that some service reductions will be required to balance the budget. The schedules at appendix D propose savings of £0.2m with potential to impact on service delivery.

Commitments

65. A detailed list of all commitments can be found in Appendix E. The overarching theme of these commitments is to protect frontline service and to ensure that service budgets are sustainable, particularly to support budget pressures.

FEES AND CHARGES

66. Under Part 3C of the constitution, cabinet is responsible for the approval of new fees and charges and agreement of charging levels in line with the medium term resources strategy. Draft fees and charges schedules for 2024-25 were noted by December Cabinet. The final schedules are at Appendix F. There are no material changes to the draft schedules of fees and charges and all changes from the draft fees and charges schedules have been highlighted.

USE OF RESERVES AND BALANCES

67. It is a statutory requirement under Sections 32 and 43 of the Local Government Finance Act 1992 for councils to have regard to the level of reserves needed for meeting estimated future expenditure. It is the responsibility of the Section 151 officer to exercise judgement about the adequacy of reserves and is required to provide the necessary assurances as part of the budget report.

68. Reserves can be classed as either general balances or earmarked reserves and represent funds that are not part of the normal recurring budget of the council but are distinct 'pots' of finite funds. General reserves are held as a safeguard against unforeseen events and to ensure the council has sufficient funds to meet cash flow requirements. Earmarked reserves are held for specific purposes to meet operational commitments, risks or for strategic investment.
69. Reserves should only be used for unforeseen emergencies; mitigation of known risks; pump priming for investment; smoothing of spending fluctuations; or short-term transitional support. Reserves should not be used to support ongoing expenditure commitments or as a substitute for delivering an annually balanced budget. For a number of years previously, the council had planned for the use of reserves to help smooth the impact of government funding reductions and other budget pressures especially during the period of austerity. Not only did this help to protect council services but it has also allowed time to transition towards new ways of working, productivity improvements and efficiencies.
70. Without adequate reserves, the council could be faced with making immediate in-year savings to meet any shortfall and thereby disrupting service delivery. The council will continue to closely monitor the medium-term picture for both ongoing future income and expenditure to ensure financial sustainability into the future. The Strategic Director of Finance considers the level of earmarked reserves as adequate to support the council during the immediate term, however the current uncertainty in the UK and the global economic climate remain a material concern.
71. In 2023-24, the council included £2.5m of drawings from reserves to set a balanced budget. The budget proposals for 2024-25 include the same contribution of £2.5m from general reserves to balance the budget. The council will continue to identify and deliver savings and manage the cost pressures outlined in this report to manage the overall required drawing on General Fund reserves during 2024-25.

HOUSING REVENUE ACCOUNT BUDGET

72. Housing Revenue Accounts (HRA's) across the country have come under increasing financial pressure in recent years as a collection of adverse factors have converged to create a perfect storm. These include;
 - Government interventions to reduce social rents by 1% annually for the four years commencing April 2016, and to cap rents at 7% in 2023 when the formula would have yielded 11.1%;
 - Additional unfunded regulatory burdens arising from the recent Fire and Building Safety Acts ;
 - Exceptionally high inflation in construction markets arising from pandemic-related supply issues and the war in Ukraine;
 - The tripling of interest rates between December 2021 and December 2023.

73. The impact of government rent interventions alone has reduced the council's rental income by £40m each year. As reported at cabinet in January, Southwark's HRA is now facing an in-year overspend of £16.8m with reserves of just £19.5m and immediate action is required to ensure the ongoing sustainability of the account.
74. To address the immediate threat and ensure long-term resilience, the council has drafted a medium-term HRA Recovery plan in two phases;
75. **Phase 1** seeks to swiftly reduce revenue spend through a range of activities in order to prevent further deterioration in the financial position. This involves;
- Reducing service expenditure in 2024-25 by around 6% when compared with the 2023-24 forecast reported to cabinet at month 4.
 - Reducing the revenue contribution to the asset management capital programme and making up the difference by temporarily borrowing to fund it.
 - Disposing of some vacant and uneconomic HRA assets in order to keep borrowing (and therefore interest costs) to a minimum.
 - Pausing, or delivering differently, some pre-construction New Homes programmes.
76. **Phase 2** seeks to restore HRA budgets to a sustainable level, namely;
- Restoring the revenue contribution to the asset management capital programme to a sufficient level.
 - Increasing reserves to a prudent level.
 - Repaying any temporary borrowing undertaken during Phase 1 for the capital asset management programme.
 - Limiting any further borrowing for New Homes until rates and circumstances allow.
77. Table 4, below, outlines the first ten years of the recovery plan, including the budget for 2024-25 to be approved by cabinet at this meeting.

Table 4: HRA Budget 2023-24 to 2033-34

	PHASE 1			PHASE 2							
	2023-24 Forecast*	2024-25 Proposed Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income	(309)	(340)	(353)	(365)	(377)	(390)	(403)	(416)	(430)	(445)	(459)
Fixed Expenditure	61	66	68	70	72	73	75	77	79	81	83
Controllable Service Expenditure	169	157	162	166	170	174	179	183	188	193	197
Asset Management (AM) Budget	52	71	74	77	78	80	83	85	88	91	93
Debt Financing Costs	31	44	48	49	52	53	54	55	56	58	58
Contribution to (from) Reserves	(4)	1	1	3	5	8	12	4	2	2	2
Repay AM Borrowing	0	0	0	0	0	0	0	11	17	21	27
(Surplus) / Deficit	0	0	0	0	0	0	0	0	0	0	0
Reserves	(16)	(17)	(18)	(21)	(26)	(34)	(46)	(50)	(52)	(53)	(55)

**The latest forecast for 2023-24 is an overspend of £16.8m. The position presented in this table shows the likely outturn position after mitigating action is taken; a £3.6m draw-down from reserves and a £13.2m reduction in the revenue contribution to capital (approach approved at cabinet in January).*

Key Assumptions for the 2024-25 HRA Budget

Income

78. The primary source of HRA income is tenants rents. These were uplifted by 7.7% according to the CPI+1 formula as approved by cabinet at the January meeting. It is assumed that rents continue to rise in accordance with this formula for the remainder of the period.

Fixed Expenditure

79. These budgets include items that the council has little or no control over, including insurance costs, TMO allowances and the heating account.

Controllable Service Expenditure

80. Tenant-facing budgets within the HRA are reporting severe adverse variances in 2023-24 and therefore will be required to operate within 'cash-limited' budgets next year, set at around 6-7% below current spend levels. This equates to around an £11m reduction in spend compared with 2023-24 levels, plus any efficiencies required to absorb contractual and pay inflation. Following this initial 'right-sizing' exercise in 2024-25, budgets will be uplifted in line with inflation for the remainder of the period.

Asset Management (AM) Budget

81. The Asset Management Budget is the revenue contribution made to the Asset Management Capital Programme. From 2023-24, this budget has been reduced in order to mitigate revenue overspends and protect reserves. The corresponding shortfall in funding for the AM programme will be met via borrowing, as approved by cabinet at the January meeting. This borrowing will be repaid over the lifetime of the HRA Recovery Plan to ensure that over the long-term all borrowing headroom is used to deliver new homes. Disposals of

uneconomic assets within the HRA will be used to limit this borrowing – more detail on this can be found later in this report. Whilst current AM costs are far in excess of the available budget (due in part to significant unfunded costs arising from changes in regulation), from 2026-27 the costs and budgets should converge such that the entirety of the programme can be contained within revenue funding.

Debt Financing Costs

82. Debt Financing Costs are the revenue cost (interest payments) of the borrowing the council takes to fund its housing programme. The budget for these costs increases rapidly from 2023-24 to 2025-26 reflecting the need to borrow significant sums to deliver the remainder of the committed new build programme.

Contributions to/from Reserves

83. The council is anticipating reserves of around £16m at 31 March 2024. Ideally, for an HRA this size, the council should be holding reserves in the region of £50m. Given the significant pressures on the HRA, it is unlikely that the council will be able to make an contribution to reserves for the next five years, however the plan outlines the intention to start rebuilding reserves from 2028-29.

DISPOSAL OF LEASEHOLD AND FREEHOLD INTERESTS OF LAND AND PROPERTY HELD WITHIN THE HRA

84. As detailed in paragraphs 72-83 and paragraphs 94-96, the council's HRA and housing investment programme (HIP) are under significant financial pressure. The HIP is financed in part by capital receipts including those from disposals of voids and other surplus assets. Increasing capital receipts by disposing of uneconomic voids or surplus assets will reduce the council's borrowing requirement and therefore the interest charged to the HRA. Where properties are held in the HRA and are empty, they are subject to scrutiny in accordance with the policy outlined at paragraph 86 below. Housing properties becoming void are initially assessed for re-letting and if not suitable, formally declared surplus.
85. The properties submitted for disposal are generally in poor condition and are a financial burden on the HRA for their upkeep and maintenance. The properties often have inherent long term defects that are not cost effective to maintain. These type of properties often become complex complaints and are prone to becoming legal disrepair claims which are expensive to settle and resource intensive to manage. The properties are generally poorly insulated, energy inefficient and conducive to problems with damp. They are also prone to have other complications such as poor internal layouts, fire safety concerns for compartmentation breaches and designs that put them at greater risk in the event of a fire.
86. In December 2020, on reviewing the 2009 Voids Disposal Strategy (also updated in 2011 and 2014), Cabinet agreed the following criteria for disposal which will continue to apply:-

- Void properties valued over £600,000*;
- Listed residential properties;
- Properties deemed uneconomic to repair, following consideration of its value as a long term asset to the council and in parallel with available resources in the annual major voids repair budget**;
- Properties with inappropriate layouts eg, where a bathroom is off a bedroom and where changes to the layout are restricted or uneconomic;
- Flats in a house with an already high level of leaseholders or Bedsit, 1 & 2 bed, converted street flats above the ground floor and where sale would potentially allow the disposal of the freehold;
- Prefabricated bungalows.

** Where properties are identified for disposal under the £600,000 value criterion, at least one of the other criteria should also apply.*

*** All properties will compare the cost of maintaining the void in our stock against using the capital receipts for the development of new build homes, conversions, roof top homes giving consideration to the neighbourhood tenure mix.*

87. In addition to major voids, there are other assets held in the HRA which sometimes become surplus to requirements. These include former hostels, commercial property and land. Each asset for potential disposal is considered on its merits, in terms of service needs, capital investment needed and revenue raising ability. If an alternative use is not identified then they are declared surplus by the service head and agreed for disposal by the Head of Property.
88. There is a continual loss of rental income from empty properties, which are a financial burden to the council for general maintenance and upkeep, so there is a growing cost as well as loss of revenue for the time that they spend vacant and in the council's possession. There has been a recent rise in complaints from neighbours regarding the length of time properties have been vacant for, as well as general maintenance issues such as overgrown gardens and instances of squatting of late.
89. In order to expedite the process, maximise capital receipts (to reduce borrowing), and in recognition of the significant growth in property values in recent years, cabinet is asked to raise the threshold at which disposal decisions are made by cabinet to £3m. Specifically, cabinet is asked to amend paragraph 13 in Part 3C, which applies to disposals of any leasehold or freehold interests in land or property, both in the HRA and the General Fund.
90. At present the constitution at Part 3C (decisions reserved to Full Cabinet), paragraph 13 provides:

Agreement to the disposal of leasehold and freehold interests in land and property where the market value is more than £750,000 excluding Right to Buy and Leasehold Reform Act cases1 .

The proposal is to amend the constitution so that it reads::

Agreement to the disposal of leasehold and freehold interests in land and property where the market value is more than £3,000,000 excluding Right to Buy and Leasehold Reform Act cases1.

CAPITAL PROGRAMME REFRESH

91. On 17 October 2023, the medium term financial strategy and capital update report was presented to cabinet. It made clear that the inclement financial conditions – increases in the cost of borrowing, high levels of construction inflation - had significantly increased programme costs. The council's constitution requires council assembly to agree the capital strategy programme at least every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders. The capital programme has been reported to cabinet in October 2023 and January 2024. This report presents the capital refresh which will be taken to council assembly for approval in February 2024.

General Fund capital programme

92. The council undertook a full review of all capital projects, which included over 350 specific general fund projects and entailed a full recalculation and re-profiling of associated funding and costs to ensure that the programme remained affordable and aligned to council priorities. An updated capital programme was reported to January 2024 cabinet and new general fund capital bids were approved for a range of programmes. These have now been incorporated into the refreshed capital programme.
93. The refreshed general capital fund programme, including the approved new capital projects, is detailed at appendix J. This shows the total budgeted programme to 2033-34 at £505m of which approximately £385m of this, is expected to be funded from borrowing.

Housing Investment Programme (HIP)

94. The October cabinet report detailed the financial pressures on both the housing revenue account and the housing investment programme. Similar to the general fund programme, the HIP underwent a detailed review to ensure that it continued to meet the strategic aims and policy objectives of the council whilst remaining affordable and sustainable. Exposure to interest rate rises and the consequent cost of borrowing is now a key constraint on the council's 'New Build' programme, and it was made clear, that the pace of borrowing needed to reduce by slowing down or curtailing projects or by finding other sources of income including capital receipts from the sale of vacant or unproductive assets.
95. In addition, recent changes in the legislative, regulatory and policy environment have added very significant costs to the council's asset management programme. It was reported that the annual budget of £60m-£70m to undertake

capital works to its stock, was expected to reach £112m, largely on works to ensure the stock is safe- a potential funding gap in 2023-24 of around £42m.

96. The January 2024 capital monitoring report set out mitigating actions to ensure the affordability of the housing investment programme (and the sustainability of the housing revenue account). The HIP refresh is detailed in appendix K. This shows the programme to 2033-34 at £1.74bn, of which approximately £873m will be funded from borrowing.

CAPITAL PROGRAMME GOVERNANCE ARRANGEMENTS

97. Cabinet agreed in October 2023 to develop a refreshed set of governance proposals to ensure that all future capital bids remain affordable and in alignment with key council objectives. The council proposes to enhance its governance arrangements around new capital projects. All new capital bids will be reviewed:
- To ensure affordability;
 - By priority with reference to statutory requirements, the council development plan and our long term ambitions.
98. The approach taken each year will be to assess the overall funding envelope – the affordability criteria- which will be determined by the estimated capital funding available and within a predetermined and prudent limit on borrowing.
99. New capital bids from council departments will require a business case with ‘sign off’ from the respective member of the Corporate Management Team. A newly established capital board will prioritise the bids and ensure that they can be funded within the pre-defined funding envelope. It is expected that the panel will meet at least twice a year.
100. The final list of bids will be considered by the Corporate Management Team (CMT) ahead of cabinet approval.

Consultation

101. Business rate payers were consulted about the revenue budget proposals reported to cabinet in December 2023, and the capital programme, reported to cabinet in October 2023. One hundred representative businesses were chosen, including a range of rateable values and locations. No representations have yet been received.
102. Consultation on the budget was delivered through the borough’s multi-ward forums, where members and officers conducted in-person sessions directly to residents including a presentation on the council’s finances and a Q&A session.

103. The presentations covered the following areas:

- How local government finance relates to central government budget announcements
- The wider economic climate and contextual factors
- An overview of the financial arrangements of the council
- The main areas of revenue income and expenditure
- A brief look at capital spending
- How the budget is set within constrained resources
- Council tax
- The consultation and scrutiny process

NEXT STEPS

104. The next main governance steps to establishing the 2024-25 general fund revenue budget are outlined in the table below:

Date	Meeting	Report	Purpose
21 February 2024	Council Assembly	P&R strategy	Approve a balanced budget for 2024-25 and present the MTFS
23 February 2024	Council Tax Setting Committee	Setting the Council Tax 2024-25	Set the Council Tax. Committee required this year due to timing differences with the GLA budget setting process.

Community, equalities (including socio-economic) and health impacts

105. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and advance equality of opportunity and foster good relations between different groups.

106. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Borough Plan. As with the budget for 2024-25 and for previous years, each department will undertake equality analysis on its budget proposals ahead of the final decisions being taken. Where initial analysis identify potential impacts, more detailed analysis is being carried out.

107. Undertaking equality analysis helps the council to understand the potential effects that the budget proposals may have on different groups. The analysis also considers if there may be any unintended consequences and how any of these issues can be mitigated. Analysis is also undertaken to consider any crosscutting and organisation-wide impacts.

108. The Budget Equality Analysis Report 2024-25 (Appendix H) sets out the importance of the Equality Impact and Needs Analysis (EINA) being an on-going process, to be built upon as proposals are developed, consulted upon

and implemented. It is a dynamic and pro-active process, which is part of the overall Equality, Diversity and Inclusion (EDI) work in the Council. As such, it is an integral part of the implementation of the Council's EDI policy commitments as outlined in the Southwark Equality Framework (Cabinet, July 2021).

109. For some services, the budget proposals will include efficiencies that have staffing implications. As specific proposals are brought forward, and at each stage of implementation thereafter, the different impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.
110. Equality analysis will continue through the cycle of planning and implementation of these budget proposals. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way to not impact disproportionately on any specific section or group in our community. Where necessary, further consultation will be undertaken alongside mitigating actions. In line with the process across the council, information on the equality analysis has been shared with the relevant cabinet members so it can be considered when decisions are taken.
111. Appendix H identifies those budget savings that have a potential negative impact and where mitigating actions have been identified. The Equality and Human Rights Panel (EHRP) has provided initial feedback on the draft budget equality analysis report and related EINAs (Equality Impact and Needs Analysis). We appreciate however that more time needs to be given to EHRP in the future to provide their full feedback. The role of EHRP is as a critical scrutiny friend on the Council's Equality, Diversity and Inclusion work. EHRP are an important part of the Council's external Equality Governance.
112. The response to the Overview and Scrutiny recommendations, which incorporates the views of the Panel is detailed at Appendix I and includes further information on the equality analysis of specific budget proposals.

Climate change implications

113. The Council has reinforced its commitment to combatting carbon emissions and rising global temperatures, by declaring a Climate Change Emergency. The Climate Emergency is a major focus for the council, working in partnership with stakeholders, partners, staff and residents to tackle the effects of climate change and the risk to our planet.
114. The Council has committed to doing everything that it can to make Southwark carbon neutral by 2030.
115. How the council uses its resources has a significant impact on the borough's carbon emissions. Across the work we do from our housing investment, to investment in parks and green spaces, to infrastructure changes such as electric charging points how the council chooses to use resources all impacts on our carbon emissions. The council has agreed a climate changes strategy and action plan and is delivering the work in this to reduce the borough's

emissions. We are working to better align all aspects of the council's work to reduce carbon and contribute to our net zero commitment.

116. As the council further develops its approach, it is looking at how carbon impact is better considered in the decisions that we take including financial decisions. This includes the services that we procure as well as our direct operational emissions. Officers are currently looking at best practice in other councils as well as innovation in this area to enable decisions which are made in the council to more fully consider their carbon impact. Fuller details of the financial implications of the council's climate change impact of the budget savings and commitments can be found in the Climate Report at Appendix G.

Section 151 Officer comment on the budget (s.25 statement)

117. This section contains the Section 151 Officer's comments on the robustness of the estimates included in the budget and the adequacy of the proposed financial reserves, as required under Section 25(1) of the Local Government Act 2003.
118. Developing the budget estimates for a given financial year is an ongoing, iterative process within the medium-term financial planning cycle. This is a council-wide process involving all spending departments whereby estimates are worked up, challenged, and refined as further information becomes available. It considers the most recently available budget monitoring information and the latest assumptions for the forthcoming financial year. In particular, the proposed savings have been reviewed and signed off as deliverable by key stakeholders across the organisation. The thoroughness of this process is a source of assurance in determining that overall estimates in the budget are robust. Whilst General Fund reserves are considered adequate, and that plans to utilise £2.5m in balancing the 2024-25 budget are sustainable, HRA reserves are low both in cash terms and as a percentage of rents. The HRA Budget plan referenced in this report sets out a path to financial sustainability, including boosting reserves from £19.5m to around £50m over a ten-year period.
119. The medium-term local government funding outlook is very negative following the Autumn Statement and provisional settlement, with expected real-terms funding cuts (and potentially cash cuts) for unprotected departmental spending, including most of local government. Added to this are potential government funding reforms (including 'fair funding' and a business rates reset) on the horizon that could have a significant, negative impact on funding levels in the next Spending Review period (commencing 2025-26). All of this means that additional government funding is highly unlikely to be a route to sustaining (in the case of the General Fund) or restoring (for the HRA) financial sustainability. Accordingly, the plans laid out in this report are largely dependent on savings and resources generated locally, as opposed to relying on central government grants.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive (Governance and Assurance) – NK/NST010224

120. The constitution determines that cabinet consider decisions regarding the strategic aspects of the regulation and control of the council's finances. The council has a legal obligation to set a balanced budget on an annual basis as prescribed in the Local Government and Finance Act 1992 and associated Regulations. The issues contained in this report will assist in the future discharge of that obligation.
121. Normally the disposal of land where the market value is more than £750,000 is a matter reserved to the Council's cabinet, subject to some exceptions, by virtue of Paragraph 13 of Part 3C of the Council's constitution. This report proposes to vary Paragraph 13 of Part 3C of the Council's constitution by increasing the financial threshold at which the disposal of land is a matter reserved to the Council's cabinet from a market value of more than £750,000 to a market value of more than £3,000,000 for the reasons given in paragraphs 72 to 83, 94 to 96 and 84 to 90. Cabinet may agree this amendment to the Constitution pursuant to Paragraph 22 of Part 3B of the constitution,
122. The council is required under section 149 of the Equality Act 2010 to have due regard to the need to:
- Eliminate unlawful discrimination harassment and victimisation
 - Advance equality of opportunity between people who share protected characteristics and those who do not
 - Foster good relations between people who share protected characteristics and those who do not.
123. Decision makers must understand the effect of policies, practices and decisions on people with protected characteristics.
124. Equality analysis is the mechanism by which the council considers these effects. The report sets out how it is proposed equality analysis will be undertaken in relation to the budget proposals.
125. It is essential that cabinet give due regard to the council's duty under the Equality Act 2010 and the implications for protected groups in the context of that duty in relation to this decision and future decisions on the budget proposals.

REASONS FOR URGENCY

126. The cabinet is required to prepare a budget proposal for submission to council assembly. This is the last cabinet meeting before council assembly on 21 February 2024 and the Council Tax Setting Committee on 23 February. The Local Government Act 1992 requires that billing authorities complete and approve their budgets and set a council tax before 11 March immediately prior to the start of the financial year on 1 April.

REASONS FOR LATENESS

127. The council is committed to publishing budget proposals at the earliest possible opportunity to ensure they are available to the public for comments and questions. Presenting this report to December 2023 cabinet gave the opportunity for debate and scrutiny prior to presentation of budget figures to cabinet in February 2024. Under the council's constitution, there is a requirement for the overview and scrutiny committee to review and challenge budget proposals and this took place on 22 and 23 January 2024.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy: 2024-25 Updated Financial Remit Cabinet, 5 December 2023 - Agenda Item 14	160 Tooley Street PO Box 64529 London SE1P 5LX	Tim Jones 020 7525 1772
Review of Void Disposal Strategy, December Cabinet 2020 Cabinet, 8 December 2020 - Agenda Item 19	160 Tooley Street PO Box 64529 London SE1P 5LX	Tim Jones 020 7525 1772

APPENDICES

No:	Title
Appendix A	Departmental Narratives
Appendix B	Proposed Efficiencies and Improved Use of Resources
Appendix C	Proposed Income Generation
Appendix D	Proposed Savings Impacting on Service Delivery
Appendix E	Proposed Commitments
Appendix F	Fees & Charges
Appendix G	Climate Report
Appendix H	Budget Equality Analysis Report 2024-25
Appendix I	Overview and Scrutiny Committee (OSC) recommendations and Responses
Appendix J	General Fund Capital Programme
Appendix K	Housing Investment Programme

AUDIT TRAIL

Cabinet member	Councillor Stephanie Cryan Cabinet Member for Communities, Democracy & Finance	
Lead officer	Clive Palfreyman – Strategic Director of Finance	
Report author	Timothy Jones – Director of Corporate Finance	
Version	Final	
Dated	2 February 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Assistant Chief Executive (Governance and Assurance)	Yes	Yes
Strategic Director of Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to constitutional team		2 February 2024