
Report to Public Cabinet (updated for Scrutiny Consideration)

17 October 2023

Update on Council Plan, Medium-Term Financial Strategy and Preparations for 2024/25 Draft Budget

Report by Director of Finance and Support Services and Director of Law and Assurance

Electoral division(s): All

Summary

- 1 In July 2023, Cabinet received a report providing an update on the Council Plan, national and local context, and the medium-term financial forecast for the next five years. The report showed a budget shortfall of £171m over the five years, of which £45m was expected in 2024/25 before any increase in Council Tax.
- 2 This report provides an update on the national context and the medium-term forecast. It advises Cabinet on the preparations for refreshing the Council Plan, sets out proposals for the draft 2024/25 revenue budget and preparations for the updated Capital Programme before further review ahead of recommending to County Council in February 2024. It explains the further steps to be taken for public and partner engagement and consultation and for engaging scrutiny committees during November 2023.
- 3 The budget for 2024/25 will be developed within the context of the Council Plan and the Council's spending plans will be targeted to ensure that priorities in the plan continue to be delivered.
- 4 Further analysis of the service demand and cost pressures and impact of economic conditions has been undertaken over the summer. Service pressures remain a key concern, particularly social care and an additional £53m is proposed to be built into next year's budget to enable the County Council to continue to provide services to the most vulnerable requiring extra support and help to manage risk and prevent escalation of need.
- 5 It is assumed that pay inflation will be around 4% in 2024/25 and spend through contracts is based on the Office for Budget Responsibility (OBR) forecasts of 5.4% and 8.1% for CPI and RPI respectively. Income collected through fees and charges is assumed to increase on average by 8.1% but a full report on the proposed fees and charges for 2024/25 will be available for scrutiny in January 2024 before being recommended by Cabinet to County Council as part of the 2024/25 budget in February 2024.

- 6 The forecast, taking into account this latest information shows a budget shortfall of between £44.9m and £16.2m for 2024/25 depending on the level of Council Tax increase.
- 7 The final position is very much dependent on the outcome of the Local Government Finance Settlement expected to be published week commencing 18 December 2023. All the assumptions driving the financial forecast will remain under review during the run up to setting next year's budget in February 2024.
- 8 Setting a balanced budget for 2024/25 is considered challenging but achievable. However, the longer-term position is much more concerning and further details are set out in Section 7.
- 9 Achieving reductions in spend of this scale requires a more fundamental consideration of services provided and how they are provided. Work is already underway to prepare options for addressing these challenges. In addition, the County Council, together with district and boroughs, the South East 7 group and the County Council Network will continue its proactive approach to lobbying Government to recognise the funding constraints and rising demand impacting on the sector. There is clear evidence of the need for increased Government funding across many services if the sector is going to remain financially sustainable and continue its vital support to resident and local communities.

Recommendations

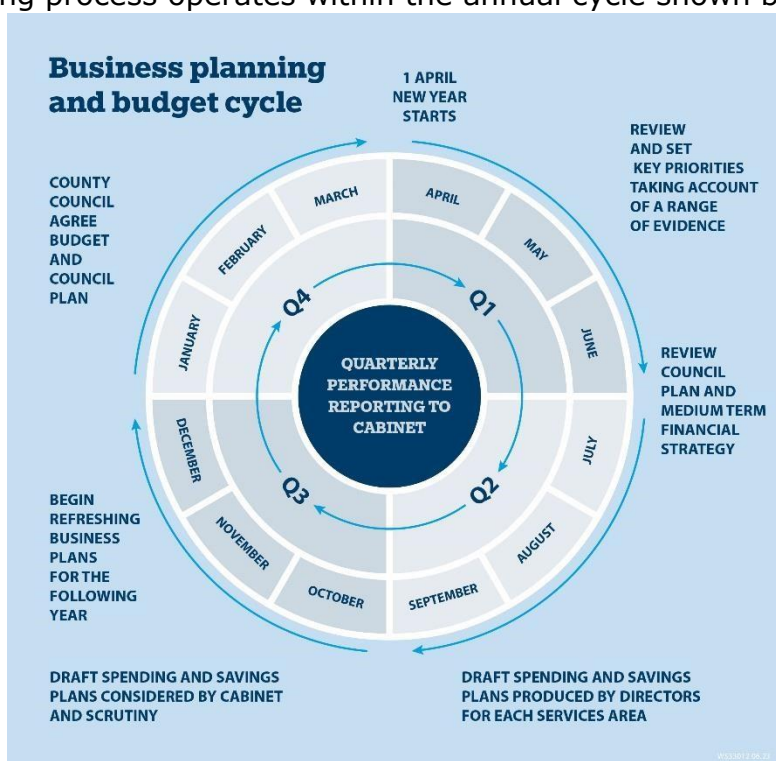
Cabinet is asked to:

1. Agree that the overall approach to the Council Plan refresh and budget setting be prepared for the public engagement process set out in Section 13 of the report.
2. Note the risks and uncertainties referenced in Section 15 of the report and that these may further impact on the budget for 2024/25 and the Council's medium term financial forecast.
3. Note the timetable for the remainder of the budget process as set out in Section 11 of the report.
4. Continue its proactive collaborative approach to lobbying Government to recognise funding constraints and rising demand that is impacting many services and the impact on the financial resilience of the Local Government sector.

Proposal

1 Background and context

- 1.1 The Council's integrated business planning and budget process brings together business planning, financial planning and risk management. The process informs decision making to ensure focus on priority outcomes, making the best use of resources, tracking delivery and value for money. It enables considered choices in a changing environment and against resource and demand challenges and other uncertainties.
- 1.2 The Council is legally required to set a balanced budget each year. This report provides an update on the different elements of the budget, including budget pressures and how funding can be realigned to address these pressures.
- 1.3 The consequential budget adjustments for 2024/25 set out in this report are for consideration with a view to presenting them for public engagement in October and November 2023. Cabinet will consider the feedback on the proposals for the Council Plan and approach to budget setting before recommending the Council Plan and 2024/25 budget to County Council in February 2024.
- 1.4 This report relates to the financial position on the Council's General Fund. An update on schools funding will be included in the full budget report to Cabinet in January 2024.
- 1.5 The Business Planning process operates within the annual cycle shown below:



- 1.6 At this stage of the cycle the County Council is bringing forward draft spending plans for consideration. In terms of the financial position, there remains much uncertainty in four main areas – Government reforms on the horizon, macro-economic conditions, demand pressures and future funding for Local Government. This makes forecasting costs and opportunities challenging but the Council is committed to longer term planning for financial sustainability. The

assumptions made throughout the report are based on the latest information and best estimates.

- 1.7 Government announced its decision in August 2023 to transfer functions from Local Enterprise Partnerships (LEPs) to upper tier authorities from April 2024. The Council will take on the Business Representation, Strategic Economic Planning and Growth Hub LEP functions. The Council has already taken on the Career Hub function from the LEP with the launch of the `West Sussex Careers Hub` on 1 September 2023.
- 1.8 As part of the Council Plan refresh, objectives will be updated to reflect the transferred LEP functions and continued economic instability and KPIs will be aligned to latest strategies and improvement plans. All targets will be reviewed to ensure they remain relevant and reflective of ambitions, capacity and resources, making relevant comparisons to other councils where possible.
- 1.9 The increasingly challenging operating environment, for example the market for children's services placements, funding constraints and rising demand, makes lobbying more important. The County Council will work with district and boroughs, local MPs, South East 7, County Council Network (CCN) and others and continue to collaborate with partners to ensure priorities are advocated at a local, regional and national level.

2 Draft Budget 2024/25

- 2.1 The remainder of this report builds on the report that was presented to Cabinet in July 2023 on the County Council's Medium Term Financial Strategy and focuses on updates of the various elements that must be considered in developing the draft budget for 2024/25.

3. Current Financial Forecast

- 3.1 The starting point of any preparations for the next year's budget is the current year financial position. In February 2023, the County Council set a balanced budget for 2023/24. The first monitoring of spend and forecast against this budget was reported to Cabinet on 12 September [Q1 Summary Report PRR](#) and showed an overspend of £18.2m on services, mainly on Children's Services and SEND but also underlying pressures within Adult Social Care and some other services. These have been reviewed in the context of identifying any which are expected to continue into 2024/25 and future years and a review of other assumptions underpinning the financial position has been undertaken.

4. Funding

- 4.1 Setting a balanced budget each year means that expenditure must not exceed levels of funding. A full analysis of the different sources of funding available to the County Council was set out in the report to Cabinet in July 2023 [Sources of Funding](#) and these largely remain unchanged. In 2024/25, total funding is estimated at £730m.
- 4.2 The next fiscal update from Government (Autumn Statement) has been announced for 22 November 2023 but as in previous years, this is expected to

be high level and any implications for Local Government will not be known until the provisional Local Government Finance Settlement 2024/25 is published the week commencing 18 December 2023.

- 4.3 The policy paper published as part of the 2023/24 Local Government Finance Settlement in December 2022 gave an indication on Government funding levels for 2024/25 and the Council Tax thresholds (maximum levels of increase) and the budget for 2024/25 is being prepared on that basis.
- 4.4 Government funding and retained business rates are estimated at £104m and general non-service specific grants of £52m.
- 4.5 The Government guidance on the Business Rates Pool has been published and discussions are currently underway between the County Council and the district and boroughs on the arrangements for the pool in 2024/25. Expressions of interest had to be submitted to Government by 10 October 2023 and details will be published as part of the Provisional Local Government Finance Settlement in December 2023.
- 4.6 Council Tax remains a key source of funding (around 80%). The referendum threshold for 2024/25 is 3% plus an additional precept of 2% for those authorities with adult social care responsibilities. Every 1% increase equates to approximately £5.7m of additional income to support service pressures. Although referendum thresholds are set by Government, any increases in Council Tax remains a decision for County Council and will be considered in February 2024. From 2025/26, the referendum threshold is assumed to be 1.99% and no adult social care precept.
- 4.7 The proposed increase in fees and charges for 2024/25 is 8.1% in line with the estimates of the Retail Price Index as at September 2023. Work is underway to review all fees and charges against this assumption and details will be available for scrutiny in January 2024 before Cabinet makes its recommendation to full Council as part of agreeing the 2024/25 budget in February 2024.

5. Spending Pressures

- 5.1 Each year the budget will include extra provision for pressures that are known and can be quantified. These are largely focussed around increases in service demands, people living longer and with increasing complexity of need, also the increase in the cost of service provision. These were set out in detail in the report to Cabinet in July 2023 [Spending Pressures](#).
- 5.2 Over the summer these have been subject to review based on the latest evidence and information. Many of the known pressures for next year have increased and new pressures have emerged as a result of this exercise, which is now estimated as £52.5m in total, including £3.1m of one off spending. All known pressures must be funded to ensure that the budget set for 2024/25 is robust and achievable.
- 5.3 Details of the specific service pressures for 2024/25 that have been identified are summarised in Table 1 and set out in full in Appendix A. These exclude increased costs from inflation which are outlined separately later in the report.

Table 1 Service Pressures

	Ongoing Pressures £'m	One off £'m	2024/25 Total £'m
Adults Services	12.3	-	12.3
Children and Young People, Learning and Skills	30.6	0.6	31.2
Community Support, Fire and Rescue	0.6	-	0.6
Environment and Climate Change	0.1	0.5	0.6
Finance and Property	0.4	2.0	2.4
Highways and Transport	5.0	-	5.0
Support Services and Economic Development	0.4	-	0.4
Total Pressures	49.4	3.1	52.5

5.4 In addition, there are some budget pressures which are more Council wide.

Pay Inflation

5.5 The County Council's staffing costs for delivering its services are around £270m each year. Financial Plans for 2024/25 currently assume £13.8m for pay increases based on a 4% increase and a provision for 2023/24 based on the latest pay offer. However, pay increases for 2023/24 remain subject to negotiations with the trade unions and therefore 2024/25 pay increases are also unconfirmed at this stage.

Price Inflation

5.6 The rate at which prices are rising remained at 6.7% in the year to September, down from 7.9% in June. The Bank of England has a target to keep inflation at 2%, but the current rate is still well above that and will remain so for some time. The Office for Budget Responsibility (OBR), which assesses the government's economic plans, previously predicted inflation would fall back to 2.9% by the end of the year. The Bank of England has predicted inflation will drop to 5% by the end of 2023. The County Council uses the forecasts by the OBR when setting its budget and inflation forecasts and the impact on next year's budget will be reviewed when an update is published as part of the Autumn Statement on 22 November 2023.

5.7 Inflation levels are a key driver for the cost of services. The County Council's spend with third party organisations is around £531m, either through contracts, grants, or other commissioning arrangements. Many of these will be subject to inflation increases and linked to different indices, including CPI, RPI and industry specific indices.

5.8 In total, the current assumption is that an additional £23.0m will be needed for 2024/25 in relation to price inflation increases across all services. However, this will remain under close review over the coming months.

6. The Overall Financial Position

- 6.1 The current Council Plan 2021 to 2025 is subject to its annual review and details will be presented to Cabinet in January 2024 alongside the draft budget for 2024/25 which will be used to deliver the County Council's priorities. The expectation is that the Council's priorities and the outcomes it seeks for residents and communities will remain largely unchanged.
- 6.2 Financial plans already include £6.7m of reductions in 2024/25 that were agreed at County Council in February 2023 [Budget Report 2023/24](#).
- 6.3 Taking into account the information in the sections above, the Council is expected to spend approximately £1.9bn (net of income £775m), including schools to deliver its services and respond to these budget pressures.
- 6.4 This means there is a budget gap of £44.9m before any Council Tax increase or £16.2m if the full 4.99% increase in Council Tax is introduced.

Table 2 – Financial Position 2024/25

	2024/25 £'m
Funding	
Council Tax income – based on 0% increase	573.9
Government Funding - Settlement Funding Assessment/ Business rates	104.3
Non-Service Specific Government Grants	51.6
Total Funding	729.8
Opening Expenditure	708.8
Previously Approved Savings	(6.7)
Inflation Pressures	36.8
Service Pressures	52.5
Contribution from Reserves	(8.1)
Other corporate changes	(8.6)
Total Expenditure	774.7
Budget Gap (before Council Tax increases)	44.9
Additional income from 4.99% Council Tax increase	28.7
Budget gap after Council Tax of 4.99%	16.2

- 6.5 A balanced budget must be set each year and over the summer, all services have been considering opportunities to re-align the funding available to council priorities. This has resulted in budget reductions in some areas, through reduction in costs, opportunities to reduce demand or increasing income levels.
- 6.6 New budget reductions are planned across all services totalling £11.8m for 2024/25 and £4.5m for 2025/26. Full details of the proposals are set out in Appendix B by Cabinet Member portfolio and summarised in Table 3.

Table 3 – Budget Reductions

Cabinet Portfolio	2024/25 £'m	2025/26 £'m
Adults Services	3.9	0.5
Children and Young People, Learning and Skills	4.4	3.0
Community Support, Fire and Rescue	0.2	-
Environment and Climate Change	0.2	0.2
Finance and Property	0.3	-
Highways and Transport	1.6	0.7
Support Services and Economic Development	1.2	0.1
Total	11.8	4.5

- 6.7 Cabinet is asked to agree for the current Council Plan priorities and the proposed budget approach to be presented for public and partner engagement in line with the approach set out in Section 13.
- 6.8 If all the budget proposals are supported following consultation and engagement, there remains a budget shortfall of between £33.1m and £4.4m depending on the level of Council Tax increase as set out in Table 4.

Table 4 – Forecast Budget Shortfall (after proposed new reductions)

	2024/25 £'m
Budget Gap (before Council Tax increases)	44.9
Proposed Budget Reductions	(11.8)
Budget Gap (before Council Tax increases and after proposed budget reductions)	33.1
Estimated income from max Council Tax increase	(28.7)
Budget Gap (after Council Tax increases and after proposed budget reductions)	4.4

7 Approach to Longer Term - 2025/26 Onwards

- 7.1 Despite the level of uncertainty in economic conditions and Government funding, which are not yet confirmed, officers are confident that a balanced budget can be set for 2024/25.
- 7.2 Table 5 shows the five year financial position and for 2025/26 to 2028/29, there remains a budget shortfall of between £140m and £87m depending on the level of Council Tax increase. With so many risks and uncertainties there is a high probability the shortfall in funding to continue the delivery of all services could be higher and full details were set out in the report to Cabinet in July 2023 [Risks and Uncertainties](#).
- 7.3 Budget reductions through general efficiencies alone will not be sufficient to meet this financial challenge and will require a more fundamental review of services. Every service must provide good value for money for residents, be cost effective and contribute to Council Plan priorities. Work has commenced and savings of £4.5m have been identified for 2025/26 as set out in Table 3 but further work is required over the next six months to identify savings of the scale needed to balance for 2025/26.

- 7.4 Going forward into 2025/26, the desire is to move away from one year budget setting to planning the finances over the longer term which is critical to maintain the good financial resilience and sustainability of the County Council.
- 7.5 The County Council will continue to lobby Government to recognise the growing demand pressures on Local Government but at this stage it is not anticipated that there will be any additional funding. Therefore, balancing the budget over the next five years will require the County Council to consider the services it provides and how they are provided.
- 7.6 The report to Cabinet in July 2023 gave an indication on the areas of focus for delivering longer term changes and opportunities are being considered, of which £4.5m has been identified to date. It is likely that further prioritisation of limited financial resources will be needed to ensure statutory responsibilities for supporting the most vulnerable continue to be met. A further update on progress will be provided to Cabinet in January 2024 alongside the draft 2024/25 budget.

Table 5 – Five Year Financial Position 2024/25 to 2028/29

	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
Funding					
Council Tax - based on 0%	573.9	580.8	587.8	594.8	602.0
SFA / Business rates	104.3	106.3	106.3	106.3	106.3
Non-Portfolio Specific Grants	51.6	48.4	48.4	48.4	48.4
Total Funding	729.8	735.5	742.5	749.5	756.7
Opening Expenditure	708.8	729.8	735.5	742.5	749.5
Previously Approved Savings	(6.7)	-	-	-	-
Inflation Pressures	36.8	13.6	15.5	11.2	15.7
Service Pressures	52.5	22.4	17.1	22.8	22.8
Contribution from Reserves	(8.1)				
Other corporate changes	(8.6)	9.4	11.7	4.9	4.9
Total Expenditure	774.7	775.2	779.8	781.4	792.9
Budget Shortfall (before any reductions)	44.9	39.7	37.3	31.9	36.2
New reductions proposed	(11.8)	(4.5)	-	-	-
Budget Shortfall (after proposed reductions)	33.1	35.2	37.3	31.9	36.2
Cumulative Budget Shortfall (after proposed budget reductions)	33.1	68.3	105.6	137.5	173.7
Estimated income from max Council Tax Increase	(28.7)	(12.5)	(13.0)	(13.6)	(14.1)
Shortfall after Council Tax increase	4.4	22.7	24.3	18.3	22.1
Cumulative Budget shortfall	4.4	27.1	51.4	69.7	91.8

8 Capital Programme

- 8.1 An annual review of the capital programme has been underway to ensure that all schemes within the programme are aligned to Council Plan priorities and that the timescales for delivery and the estimated costs are accurately reflected within the five year programme. Consideration has also been given to any new capital investment that will be required. The proposed changes to the programme are detailed in table 6 below and feedback from the Scrutiny Committees in November 2023 will be considered before the final Capital Programme is presented to Cabinet in January 2024 and recommended to full County Council in February 2024.
- 8.2 The changes include new schemes proposed to be added to the programme and additional cost of existing schemes, additional funding required for a further year of the block allocations and schemes proposed to be moved to the pre-pipeline. Schemes in the pre-pipeline will not have committed funding and will not be part of the Capital Programme that will be agreed in February 2024. Further consideration will be given as part of future budget setting processes.

Table 6: Proposed changes to the Capital Programme 2024/25 to 2028/29

	£m
Scheme proposed to be moved to pre-pipeline:	
Fire and Rescue Estates Improvement Programme*	-1.9
Faygate - Leachate Treatment*	-0.8
Reduction in Invest to Save budget	-19.9
Reduction in Capital Improvements Programme	-7.8
Total Schemes proposed to be moved to pre-pipeline	-30.4
Future Years to be added (2028/29):	
Fire and Rescue Equipment	0.4
Fleet	3.5
Extensions and adaptations to foster carer properties	0.2
Gypsy and Travellers Improvements Programme	0.3
Staff Capitalisation - Property	1.2
Structural Maintenance	2.3
Staff Capitalisation - Highways	1.9
Investment in Technology	2.3
Total Future Years to be added (2028/29)	12.1
Additions to the five-year Programme:	
Additional funds for protecting the environment	10.0
Additional Highways Maintenance	20.0
Repairs and maintenance of the operational estate	6.8
Inflight project with additional costs to complete (A29 Phase 1)	14.2
Total Additions to the Programme	51.0
Total value of changes / funding shortfall	32.7

*Pre-pipeline schemes are not part of the approved capital programme and are not funded

- 8.3 The above proposed changes show an additional £32.7m would be required over the next five years. Options for funding this increase are currently being considered, including sales of surplus assets, new external funding or borrowing. A review of all schemes in the programme is currently underway to ensure that the phasing reflects the current delivery timescales. The full capital programme and funding will be presented to Cabinet in January 2024 following review by Performance and Finance Scrutiny Committee. Additional borrowing would have an impact on the revenue budget and every £10m of borrowing equates to approximately £600,000 in additional borrowing costs. The latest profiling suggests that borrowing would not be required until at least 2025/26.
- 8.4 The full current Capital Programme and Approved pipeline that was agreed by County Council in February 2023 is set out in Appendix C.

9 Schools Funding

- 9.1 The underlying pressure on the General Fund is driven by the increase in number of pupils with an EHCP and the statutory duty to provide transport for pupils who are eligible. Approximately one third of pupils with an EHCP require transport to and from school.
- 9.2 To help meet this increased demand the County Council has expanded the use of its internal fleet, but despite this expansion the average daily cost of providing external taxis and minibuses still increased from £64,000 per school day in April 2022 to an average of £80,000. With further annual growth in SEND passenger numbers expected, the daily cost of providing external taxis and minibuses is expected to increase to over £90,000 per school day by March 2024.

10 Reserves Strategy

- 10.1 Reserves are an important part of the Council's approach to financial planning and a full update was included in the report to Cabinet in July 2023 together with a five year forecast. Reserves and contingency provide a mitigation for the many uncertainties and risks facing the Council and must be maintained at a prudent level and are a key indicator of strong financial standing and resilience.
- 10.2 Reserves can be used in year for one off unforeseen expenditure, for exceptional pressures or for invest to save opportunities but any use will need to be replenished over the medium term to maintain the County Council's financial resilience. With the exception of the £3.1m to fund the one off pressures set out in Table 1 and the £5m additional investment into highways maintenance, there are no plans to use reserves to balance the budget for 2024/25 or over the medium term. The annual review of reserves is underway and an update will be reported to Cabinet in January 2024 when the Section 151 Officer will report on the robustness of the budget and the adequacy of reserves.

11. Budget Timetable

- 11.1 The process for setting the 2024/25 budget has commenced as set out in this report. The key dates between October 2023 and February 2024 when the draft

budget, capital programme, capital strategy and treasury management strategy will be agreed by full Council is set out in Table 7.

Table 7 – Budget Timetable

Date	Who	What
17 Oct 23	Public Cabinet	Update on Capital Programme, Budget gap/savings including discussion on priorities and Council Plan
18 Oct 23	Member Day	Council Plan and Budget Proposals (Revenue and Capital)
November 23	Scrutiny Committees	Council Plan and Budget Proposals (Revenue and Capital)
Early December 23	Stakeholder Engagement	Council Plan and Budget (Revenue and Capital) stakeholder consultation
December 23	DHLUC	Provisional Local Government Finance Settlement 2024/25 published
19 Jan 24	Member Day	Council Plan and Budget Proposals (Revenue and Capital)
24 Jan 24	PFSC	Review draft Council Plan and Budget Proposals (Revenue and Capital). Comments to feed into 30 January Cabinet meeting.
30 Jan 24	Public Cabinet	Council Plan and Budget Papers. Verbal feedback from all Scrutiny Committee Chairmen.
16 Feb 24	County Council	To approve Council Plan and Budget 2024/25 and the updated MTFS (2024/25 to 28/29)

12 Other options considered (and reasons for not proposing)

12.1 An options analysis was undertaken as part of the overall financial planning approach and the proposals as set out this report.

13 Consultation, engagement and advice

13.1 The MTFS, annual budget and Capital Programme provide the financial framework for delivering the Council Plan and provides assurance that spending plans are aligned to the Council's priorities which are underpinned by a cross cutting theme of tackling climate change:

- Keeping People Safe in Vulnerable Situations
- A Sustainable and Prosperous Economy
- Helping People and Communities Fulfil their Potential
- Making Best Use of Resources

13.2 Best Value is a statutory duty placed on all local authorities to demonstrate how resources are used to greatest effect and efficiency and how the authority ensures it achieves continuous improvement in service delivery and its systems of control accountability and corporate governance.

- 13.3 The Government plans new statutory guidance on Best Value Standards and Intervention. The Council has taken the opportunity to review its approach to engagement and consultation to ensure it meets the proposed guidance.
- 13.4 The draft guidance says: "*Best value authorities ... are also required to consult on the purpose of deciding how to fulfil the Best Value Duty. The annual process of setting the authority's budget, the corporate plan and the medium-term financial plan provides a key opportunity to conduct such consultation. This is the stage at which consultation will best assist the authority in deciding how to make arrangements to secure continuous improvement.*"
- 13.5 The draft guidance is not prescriptive on how consultation and engagement should be undertaken, other than to suggest it should be inclusive, open and fair – and so there is significant discretion to tailor the approach to meet local circumstances. The proposal for West Sussex is:
- To provide information for the context of budget planning including demand pressures; inflationary pressures; population growth and aging; what money is currently spent on and where it is raised from.
 - A high-level summary of the financial position and planned approach for balancing the budget.
 - A set of high level questions about the relevant priority respondents place on council services and approach to balancing the budget.
 - Invite basic information about the respondent to help analyse the responses across the community.
- 13.6 In order to be able to discharge its continuing commitment to best value and its commitment to transparency in its work for the community of West Sussex it is proposed that the Council designs and runs this public consultation online during October/November 2023. The responses will feed into Cabinet and County Council decisions on the refreshed Council Plan and budget in early 2024.
- 13.7 All Scrutiny Committees during November will have the opportunity to review their relevant budget pressures and proposed budget reductions as set out in the appendices of this report. There will also be an opportunity to review any changes in the Capital Programme. The feedback will be considered by Cabinet in preparing the final draft budget and capital programme for 2024/25 that will be presented to County Council for approval in February 2024. Feedback from the public consultation exercise will also be available for the January meeting of Performance and Finance Scrutiny Committee.
- 13.8 In January 2023 the Council ran a stakeholder session on the refresh of the Council Plan and the budget. Feedback from partners was that the session was welcomed because it helped them understand the context in which the County Council was operating, and the rationale for spending choices. Given this positive feedback, the Council will also propose to run a similar stakeholder engagement session early in December.
- 13.9 Should there be any proposals which, if they are to proceed, will require additional consultation, further consideration and specific consultation plans will

be devised to enable proper consideration of feedback before proposals are to be determined or implemented.

- 13.10 Should there be any proposals which will have an impact on particular staff groups, further consideration to staff engagement and consultation will be undertaken before proposals can finally be determined or moved into operational delivery. Engagement with relevant trade unions will also be needed in these cases.
- 13.11 All proposals will need to be considered in the broader context of the Council's statutory obligations, notably ensuring that decision-makers are able to consider equality impact assessments to ensure the public sector equality duty is discharged. All proposals will be tested against the Council's policy and procedures for equality impact and this will identify proposals requiring more focused equality impact assessments to inform final decisions.

14 Financial Implications

- 14.1 The financial implications are as set out throughout the report.

15 Risk implications and mitigations

- 15.1 Full details of the County Council's financial risks were reported in the Council Plan and Medium Term Financial Strategy report in July 2023 and remain largely unchanged. [Risks and Uncertainties](#)

16 Policy alignment and compliance

- 16.1 The report sets out the approach for updating the Council Plan and for setting a balanced budget for 2024/25 in accordance with the County Council's statutory duty.

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Appendices

Appendix A - Service Pressures
Appendix B - Balancing the Budget
Appendix C - Capital Programme 2023/24 - 2027/28
Appendix D - Comments and responses from the All Member Council Plan and Budget session held on 18 October 2023
Appendix E - Feedback from service scrutiny committees on the Council Plan, MTFS and preparations for the 2024/25 Draft Budget (to follow)