West Suffolk Council

Budget and Council Tax Setting 2024 to 2025 and Medium Term Financial Strategy 2024 to 2028

Report number:	**CAB/WS/24/010**	
Report to and date(s):	**Cabinet**	6 February 2024
	Council	20 February 2024
Cabinet member:	Councillor Diane Hind Portfolio Holder for Resources Email: diane.hind@westsuffolk.gov.uk	
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Decisions Plan: **The decision made as a result of this report will usually be published within 48 hours. The majority of the recommendations contained in this report will be referred to Council for a final decision and are, therefore, not subject to call-in.**

The recommendation listed under 6. below constitutes a Key Decision and therefore, if approved, is subject to call-in. This item is included on the Decisions Plan.

Wards impacted: **All wards**

Recommendation: **It is recommended that, subject to the approval of Council:**

1. **The revenue and capital budget for 2024 to 2028, plus 2023 to 2024 capital projects that subsequently require to be carried forward at the year end, attached at Attachment A and as detailed in Attachment D (Appendices 1-6), Attachment E, and Attachment F to Report number CAB/WS/24/010, be approved.**

2. **Having taken into account the conclusions of the Director's (Resources and Property) report on the adequacy of reserves and the robustness of budget estimates (Attachment C) and the Medium Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D, Appendix 5) and all other information contained in Report number CAB/WS/24/010, the level of council tax for 2024 to 2025 is established at £197.82 for an average band D property (the level of council tax beyond April 2025 will be set in accordance with the annual budget process for the relevant financial year).**

3. **The Director (Resources and Property), in consultation with the Portfolio Holder for Resources, be authorised to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the medium term financial planning period.**

4. **Approval is given to delegate authority to the Director (Resources and Property) in consultation with the Portfolio Holder for Resources to formulate and implement in full, Government grant, discount or relief schemes (examples include but not limited to those set out in paragraphs 3.14-3.16 and 4.7-4.10 of Report number CAB/WS/24/000), so long as they are as a minimum, revenue cost neutral to the Council.**

5. **Approval is given to the change to the Second Home Premium set out in paragraphs 4.7 to 4.10 of Report number CAB/WS/24/010.**

6. **Approval is given for the fees and charges price increases (as set out in Attachment D, Appendix 6a of Report number CAB/WS/24/010).**

7. **Approval is given to the Flexible Use of Capital Receipts Strategy (as set out in Attachment F of Report number CAB/WS/24/010).**

1. Summary

1.1 West Suffolk Council has an exemplary track record in robust financial management which has meant it has continued to deliver high quality services as well as meeting the strategic vision of the authority.

1.2 This is despite a series of challenges that all UK authorities continue to face. These include soaring inflation, cost of living and energy prices, global conflicts such as the wars in Ukraine and Palestine, and changes to the way communities spend which reduces income. National finances have also been reduced significantly over the last decade for local councils, and added burdens have been placed on authorities too during this time.

1.3 This budget has been created to invest in West Suffolk's future, improve services and keeps charges low. It invests in a fair, thriving and sustainable future for West Suffolk and improve essential services while meeting significant national and local financial challenges.

1.4 It will support and help drive the delivery of the authority's ambitious strategic priorities. This includes investing in essential services that residents rely on, supporting thriving communities, sustainable growth, the delivery of affordable, available and decent homes while also focusing on environmental resilience.
Investment in these areas includes:

- Strengthening essential services such as improving grass cutting and grounds maintenance operation making tidier streets and better biodiversity.
- Funding leisure improvements as well as protecting swimming pools from closing due to high utility costs, better equipment and investment in our leisure centres, play areas and open spaces.
- Ways to bring more affordable homes to West Suffolk and reduce the risk of people becoming homeless.
- Working alone and together with partners to improve and rent out property for businesses to create jobs and help our town centres as well as improve skills.
- Funding commissioning work around Brandon and potential economic benefits on the A11, A1307 and A14 corridors.
- Improving parking facilities across West Suffolk.
- Supporting crucial groups and volunteers that are the backbone of society and provide vital support for local communities.
- Topping up the Net Zero fund totalling now £11.75 million to support further investment in council assets, including the leisure portfolio and the authority's highly successful solar for business scheme.

1.5 The council will continue to invest in initiatives that generate income and wider benefits such as Solar for Business. In addition, £1 million will be made in savings or new local income over the next two years as part of the council's continuing service improvement and behaving commercially programmes. This is on top of the £1 million already achieved in the current year's budget to make the council as efficient as possible.

1.6 West Suffolk Council is forecasting a two-year balanced budget despite an additional £5 million in pressures (around 7 per cent of the overall £69 million gross budget). This has been caused by increased inflation, cost of living and higher demand for services, additional demands from Government and traditional reduced funding.

1.7 This year Government has given a significantly below inflation settlement and expects in their calculations that all councils put up Council Tax to the maximum amount available (2.99 per cent). West Suffolk proposes to follow other local authorities and Government guidance with a rise of 11p a week extra (£5.76 a year increase) to £197.82 for the average Band D property. 70 per cent of properties in West Suffolk are with band A to C and will therefore pay less than this. Council Tax paid to West Suffolk Council is only around 11 per cent of the total bill and covers under a fifth of the cost of services. The council have also agreed to extend up to 100 per cent discount on Council Tax to many low income and vulnerable residents, including those in work.

1.8 The 2023 to 2024 budget approved in February 2023, included support for the introduction of a long term empty homes premium after twelve months of a property becoming vacant and this 2024 to 2025 budget includes proposals to implement additional powers given to local government to levy a second homes premium within the district from April 2025. These financial levers enable local councils to use council tax to achieve behavioural changes linked to bringing empty properties and second homes back into general use within the locality.

1.9 The budget process has also given the opportunity to listen to residents, businesses and car park users by simplifying some parking charges and abolishing others. This is part of a common sense review of charges and tariffs for services the council delivers to tailor them so they stay in line with their true costs, following high inflation and price rises but avoid blanket rises. Equally charges have been frozen in some areas, such as cost of market stalls, to help local traders and encourage markets and vitality of local town centres.

2. Context to this report

2.1 West Suffolk Council has a good track record of delivering high quality services that our communities demand and value. It also has a strong vision and programme to deliver, through our West Suffolk Council's Strategic Priorities 2024 to 2028, to bring greater prosperity for our communities and businesses.

2.2 This has been underpinned by robust financial planning and management enabling the council to deliver both services and the strategic aims of West Suffolk. This can be seen in year-on-year savings and income generation, alongside the £5 million in annual savings made from shared services and the creation of a single council in April 2019, to put the council on a stronger financial footing as well as the right size to better champion West Suffolk communities. Due to this financial management, and despite previous reductions in national funding as well as the severe impact of COVID-19 and the cost of living crisis on finances, the council can put forward a balanced budget for 2024 to 2025 and an indicative balanced budget for the following year 2025 to 2026.

2.3 Despite our successes the pressures on local government finances, with or without a cost of living crisis, still require local authorities nationally to continue to deliver more with less. So, we must continue to transform the way we work and the way we are funded in response to these challenges to meet future savings.

2.4 West Suffolk Council's ongoing robust and responsible financial management has meant we have been able to be in a strong position to face many of the challenges that have so deeply affected all local government authorities. However, as costs increase for our businesses and communities there is more demand, especially from the most vulnerable for our aid. At the same time the rising cost of goods, utilities and fuel that everyone is experiencing to deliver these services are also increasing for West Suffolk Council – further increasing the challenge to our budget setting.

2.5 The economic situation, therefore, continues to be hugely challenging, with rising costs and increased demand for services, in particular for housing support. Suffolk, and West Suffolk through its Families and Communities as well as economic growth work, is at the forefront nationally supporting its communities and businesses by working in partnership across the public, private and voluntary sectors. This partnership working brings benefits to communities and businesses alongside efficiencies and savings. However, the impact of the economic situation and wider income recovery challenges on our partners including Suffolk County Council is uncertain at this stage. Therefore, it is not clear what indirect cost impacts may be experienced locally and, on the partnership working.

2.6 The medium-term budget plans (beyond April 2025) are being prepared in the context of significant uncertainties around the current economic climate and Government policy, such as:

- the long-term financial impact of behavioural change following the COVID-19 pandemic and restrictions and current cost of living and inflationary challenges
- Local Government Finance Settlement including the Fairer Funding Review, Business Rates Retention (BRR) Scheme Review (post April 2025)
- commercial investment policy

- potential major reforms such as Simpler Recycling (formally known as Resources and Waste Strategy - RAWS)

The council will continue to lobby Government over financial support and funding together with partners and other local authorities.

2.7 Councils nationally are expected to balance the budget through savings and producing local income to fund services due to reduced Government funding. Last year, to assist with the expected impact on demand for council services, the council saw an increase in funding from the Government and this has effectively been rolled forward to 2024 to 2025. However, this will not completely neutralise the challenges facing local government such as inflationary and demand pressures. Nor will it address the financial challenges that already existed for local government following a decade of funding reductions and increases in the demand for our services such as housing and homelessness support.

2.8 Despite all of this, through prudent budgeting and financial planning, our commitment to our six financial themes, investment as well as transformation, West Suffolk Council is in a good financial position. However, while this means a balanced budget can be set for 2024 to 2025 and indicatively for 2025 to 2026 there are gaps to be met in later years – currently forecast at £5.71 million in 2026 to 2027 growing to £6.28 million in 2027 to 2028. Government has made it clear that budgets have to be balanced by councils through reducing the cost of delivery, investment, income generation and local taxation.

2.9 Currently, Council Tax makes up under one fifth of the authority’s budget (exclusive of housing benefit) and therefore only goes a fifth of the way to actually paying for services. Annual Council Tax increases go on the base budget, which means they have a cumulative effect and a greater impact in future years. It is recognised that any increase provides an extra burden on taxpayers, but does mean the protection of vital services which would otherwise possibly have to be considered for reductions. West Suffolk Council receives around 11 per cent of a local council taxpayer’s bill with the rest made up by the County Council, Police and Crime Commissioner, as well as the relevant Parish or Town Council. Councillors are asked and expected by Government to look at local taxation levels to meet the authority’s financial needs to support its communities and help future proof from financial uncertainty. Council Tax levels are considered further in Section 4 of this report.

Investing in our growth agenda

2.10 National policy also encourages councils to grow their local, and therefore the UK, economy by supporting business, investment and housing to bring in local income, including consideration of new income streams. Bridging the gap between income and demand remains, cost of living crisis aside, the single biggest challenge facing local government across the country.

2.11 Our emerging local plan also supports sustainable growth in our district and this budget also includes a commissioning pot of £500,000 to progress a number of our sustainable growth objectives, including the economic potential of Brandon and the A1307, A11 and A14 corridors.

2.12 The financial challenges and national funding policies means that councils can no longer rely on Government grants, but must look at more innovative ways to finance the current services and create financial capacity to invest and meet the needs of our communities and businesses. West Suffolk Council recognises this and continues to take a proactive investment role through our Investing in our Growth Agenda Strategy and fund, not only to meet the challenges brought by funding for councils, but also importantly to manage growth, reduce our carbon footprint and ensure prosperity for our communities. We must, therefore, maintain and where appropriate grow the local income we receive now (and reduce the cost of delivering services) but also deliver our investment projects, enable the building of homes through Barley Homes, and increase our investment base so that we deliver new income streams to replace those lost. This will enable us to continue delivering the services and wider community support which people value and make West Suffolk an attractive place to live, work and invest.

2.13 Our medium-term financial plans continue to place reliance on delivery of our strategic projects as set out in our capital programme at Attachment D Appendix 2, such as Barley Homes, the Innovation Units at Suffolk Park and our Net Zero Carbon investment plans (see Attachment G for further details).

2.14 Over the last few years there have been some consultations and announcements that continue to indicate the Government's wish to ensure that local government focuses on its core functions rather than expanding into what are seen as more 'commercial' type activities. These consultations and announcements include:

- Changes to the Public Works Loan Board (PWLB) lending criteria to exclude the ability to borrow to invest in commercial property to generate income.
- Consultations on the CIPFA Treasury Management and Prudential Codes to strengthen the intention around commercial investments and provide clarity about borrowing and investments.
- Current Government consultation about minimum revenue provision and use of capital receipts from commercial activity.

2.15 There has been no need to change our outcome-based investment approach to date. However, as we continue to shape our investing in our growth agenda projects, focusing in and around recovery and our growth and climate agendas, we will continue to review and have regard to any changes and the new operating parameters when considering future activity under our capital programme and investment plans.

2.16 Some of our projects will need considerable investment, both in money - including creating new funds where needed through borrowing (supported by robust business cases) – and resources and time. But that investment will build a more financially resilient and self-sufficient council, with less reliance on uncertain national or other funding streams. That focus on projects that are also income-generating, which may span several years before they deliver a return, means we no longer look simply to balance a budget for one year.

2.17 Importantly these economic growth projects will bring wider long-term benefits to our areas than purely being a financially robust council, such as jobs, reducing our carbon footprint, better health outcomes and investment in working with communities and place-based initiatives.

Innovation in service delivery

2.18 The council's change and service improvement programme, which will accelerate the delivery of a number of our financial strategy themes such as innovation in service delivery, supporting online access to council services and behaving commercially, will continue to feature as our key approach to delivering across our medium-term plans. Service reviews will ensure that demand is understood, and a continuous improvement approach ensures the delivery of innovative and efficient services. These will be reviewed through key performance indicators.

2.19 The role that digital will play in our future state, alongside the role of our partners (public, private and voluntary), including the relationships across the tiers of local government within West Suffolk, will be critical in ensuring a system approach for our residents and businesses that is valued and sustainable. Our change and service improvement programme will go towards ensuring delivery of the outcomes of both financial and improved services across the medium term.

Net Zero Carbon Emissions by 2030

2.20 West Suffolk Council has set Environmental Resilience as one of its strategic priorities, building on the council's 2019 climate emergency declaration and 2020 Environment and Climate Change Taskforce report and action plan (updated 2023).

2.21 The Taskforce developed a broad Action Plan and Trajectory to achieve Net Zero Emissions by 2030. The plan focused on the greenhouse gas emissions arising from the council's operations. In response to a strengthened focus on the issue, including the need for more pace and involvement of communities and businesses, a new Environment and Sustainability Working Group was set up in 2023. Cabinet approved the Group's updated action plan, with a greater focus on support to communities and businesses as well as accelerating initiatives to meet the council's ambitions.

2.22 Work has been completed to decarbonise a number of buildings, with the council securing £1.4 million from the Government's Public Sector Decarbonisation Fund to add to its own investment. Improvements have ranged from lighting, new hand driers through to solar and roof insulation. The council invested in a range of renewable technologies at the new Mildenhall Hub and is awaiting the outcome of the governments Swimming Pool Fund to make further improvements to its leisure estate.

2.23 The 2024 to 2025 budget continues the commitment to the £9 million investment facility in our Net Zero Emissions by 2030 journey and proposes an additional £2.75 million into the fund. Attachment G sets out more detail on the facility, created within the Investing in Our Growth Agenda Fund (funded in the main by external borrowing, £650,000 from revenue), specifically allocated within the capital programme to deliver environmental projects which are planned to deliver a 31 per cent carbon saving on council operations, together with a return to the council of 2 per cent after allowing for borrowing costs.

2.24 This now £11.75 million fund is to be utilised across the following proposed projects:

- Council buildings: improve the energy efficiency and incorporating renewable energy (electricity and/or heat) into buildings
- Electric vehicle fleet (EV) investment: replace small vehicles on fleet with EVs when replacement falls due
- Expansion of our West Suffolk Solar for Business scheme

2.25 In addition to this £11.75 million capital facility, the revenue budget 2023 to 2024 included a £100,000 per annum provision to support a planned switch to use Hydrotreated Vegetable Oil (HVO) derived fuel in the larger diesel-powered fleet once the fuel market prices settle. At this stage the switch has not been made as the market has remained volatile with latest price indications showing an additional 38p per litre for HVO. Reviewing forecast prices for April 2024 the cost of the switch would be around £230,000 per annum however officers will continue to review the market.

2.26 In total the projects completed have delivered 564.3tCo2e savings per annum once fully implemented. The pipeline for 2024 to 2025 and beyond is essential to ensure the council can meet its Carbon Budget target for 2026 putting the council on the right path to meet its net zero ambition. The carbon performance of the fund will continue to be monitored and reported on as part of the council's annual Environmental Statement. The overall performance of the fund will be reviewed regularly and will help inform any further funding requirements for the third and fourth periods of the net zero plan.

Simpler Recycling (Resource and Waste Strategy – RAWS)

2.27 On 21 October 2023, the Government published details of its policy for 'Simpler Recycling' to improve recycling required by the Environment Act 2021. To comply with these requirements the council must:

1. Introduce a weekly separate collection of food waste from domestic households by 31 March 2026.
2. Increase the range of recyclable materials collected at the kerbside adding glass bottles and jars and cartons by 31 March 2026 and flexible plastics (e.g. bread bags, crisp packets, plastic films, etc) by 31 March 2027.

This will require changes to the existing kerbside recycling collections service and the status quo is not an option.

2.28 As part of these requirements the Government have issued 'Statutory Guidance' that residual waste collection should be at least fortnightly. However, unlike the requirements at 1 and 2 above, this has not been made a legislated requirement.

2.29 These rules will also apply to business waste collections but from 31 March 2025. This presents a significant risk to our existing trade waste services and income as we will be unable to provide the enhanced service until domestic capacity is established in 2026. We, along with other councils and representative bodies are lobbying Government on this issue.

2.30 In terms of funding available to local authorities, Defra has committed to providing "reasonable funding" to cover the costs to local authorities arising from new duties placed on them. Funding for local authorities will be provided through a combination of new burdens funding for weekly food waste collections (capital, transitional and ongoing revenue) and payments through Extended Producer Responsibility (EPR) for packaging we collect and recycle which will come to us from tariffs imposed on companies that place packaging material on the market.

2.31 Details on funding are only now starting to emerge piecemeal, despite lobbying Government to provide the full financial implications to provide clarity and assist decision making. Allocations are formulaic meaning that it is not certain that all of our costs will be fully met, presenting further risk to the council. Clearly, we will work to establish new services within the funds allocated but this can't be guaranteed.

2.32 The introduction of a new food waste collection service to all of our residents within the timescales laid down represents further risk. Supply chains for equipment such as collection vehicles and bins have already been stretched in recent years with demand outstripping supply. The introduction of 'Simpler Recycling' will mean that a significant number of councils will move to procure vehicles, bins and material processing capacity concurrently causing a further significant spike in demand and upward pressure on costs. It is therefore important that Suffolk councils move quickly to secure capacity by March 2024 whilst holding risk on whether Government funding will completely cover all the costs involved to meet the legislated change.

2.33 There is a little more time for the implementation of the required recycling changes which will rely heavily on adapting existing collection and processing capacity. Whilst decisions will not be required until the summer of 2024, these may be challenging in terms of their impact to our residents and the need to have uniformity of recycling service across the county.

3. Provisional local government finance settlement

3.1 The Government published the provisional local government finance settlement (details of what government funding, across the various headings as set out below, that will be available to individual councils to support the delivery of local services) for 2024 to 2025 on 18 December 2023. The announcement covered funding plans for 2024 to 2025 only. At this stage the settlement is essentially a rollover of the current funding principles with a 4.75 per cent core spending increase from that received in 2023 to 2024 (the government assumes in this the maximum 3 per cent Council Tax increase is utilised).

3.2 Subsequently, on 24 January 2024, the government announced a package of additional funding for local government. The measures included an increase in the Funding Guarantee and Rural Services Delivery Grant, both of which will affect West Suffolk. Allocations will not be confirmed until the final local government finance settlement which will be published in full early in February. However, estimates of the extra funds have been included in the council's budget plans for 2024 to 2025 and have been contributed to the Strategic Priorities and MTFS reserve. There is no assumption that these additional funds will be continued into 2025 to 2026 at this stage.

3.3 Any funding reforms or changes in funding distribution have been communicated as not being implemented until 2025 to 2026 at the earliest. This means a further delay to the Fair Funding Review and the Business Rates Retention Scheme (including the business rates baseline reset) – the assumption in our medium-term plans is that these reforms will be implemented now from April 2026 as, on a practical level, many believe these reforms are unlikely to be implemented until 2026 to 2027 due to the level of change and consultation that a new government is likely to need to go through. This position is reflected in the medium term budget assumptions (no significant funding reforms until April 2026) and will therefore be kept under regular review.

3.4 The settlement was significantly lower than expected from that assumed in the February 2023 budget report. And in real terms, the settlement still doesn't make up for the years of austerity and Government funding cuts, nor does it cover the additional pressure on councils' budgets linked to inflation and the current cost of living crisis.

Revenue Support Grant

3.5 Revenue Support Grant (RSG) allocations have been rolled forward for a further year. West Suffolk's allocation for 2024 to 2025 is £0.448 million and for 2025 to 2026 we have assumed the same amount. No further RSG allocations have been included in the MTFS from 2026 to 2027 onwards as it was always Government's intention to remove this grant.

Rural Services Delivery Grant

3.6 The Rural Services Delivery Grant has been rolled forward from 2023 to 2024 and updated to include an estimate of the additional income announced by the government as referenced in 3.2 above. £0.235 million has been included in 2024 to 2025 and £0.203 million in 2025 to 2026 budgets, with nothing assumed beyond this.

Services Grant

3.7 This was communicated as a one-off grant for 2022 to 2023 distributed to every authority to support all services delivered by councils and included the reimbursement of the National Insurance increase from April 2022. However, the Government rolled this forward to 2023 to 2024 albeit at a lower level to reflect the reversal of the National Insurance increase. It has been rolled forward again to 2024 to 2025, having been reduced further. West Suffolk's provisional allocation is £0.029 million for 2024 to 2025 and we have assumed the same for 2024 to 2025.

New Homes Bonus

3.8 There has been considerable uncertainty regarding New Homes Bonus (NHB) as the consultation on the future of NHB and potential alternative incentives for the provision of new housing has been postponed. However, there will now be a further one-year round of NHB funding (year 1), and the Government will decide whether to continue this into 2025 to 2026 before next year's settlement. The total money available for NHB was cut in 2023 to 2024 partly to fund the new Funding Guarantee (see below) and will not attract any legacy payments. However, our funding guarantee grant (below) includes provision to replace the NHB lost between the 2022 to 2023 and 2024 to 2025 settlement. The NHB allocation for West Suffolk is £0.881 million for 2024 to 2025, along with £0.875 million included in the funding guarantee grant to maintain the £1.756 million received in 2022 to 2023 before the cut. The full allocation (£1.756 million in total) will be transferred to the Strategic Priorities and Medium Term Financial Strategy Reserve for future utilisation across the medium term plans towards the delivery of strategic priorities.

Funding Guarantee Grant

3.9 This grant originally ensured every authority has an increase in Core Spending Power (CSP) of 3 per cent before any Council Tax increases. Following the additional funding announcement explained in 3.2 above, this has been changed to 4 per cent. It is funded from the now discontinued Lower Tier Services Grant and the reduced cost of NHB. West Suffolk was given a provisional allocation of £1.281 million for 2024 to 2025 and we have estimated that the change to 4 per cent could result in a further £0.158 million (total of £1.436 million). We have assumed a similar allocation to the provisional settlement figure only for 2025 to 2026 (£1.281 million). As this allocation includes £0.875 million transferred from NHB, the net £0.406 million will benefit the 2024 to 2025 and 2025 to 2026 budgets. The additional £0.158 million for 2024 to 2025 has been transferred to the Strategic Priorities and MTFS reserve.

3.10 These Government funding assumptions will continue to be kept under constant review as part of future budget processes. This collection of assumptions has one of the biggest financial impacts on the council's budget in the medium term given the sums involved.

Business rates estimate for 2024 to 2025

3.11 It was announced in the Autumn Statement that the government would use new powers under the Non-Domestic Rating Act 2023, to set the small business and standard business rate multipliers separately from one another. Previously, these two multipliers had to be increased by the same percentage with the standard multiplier being fixed at 1.3p higher than the small multiplier. For 2024 to 2025 the small multiplier will be frozen at 49.9p. The standard multiplier (payable by businesses with rateable values more than £51,000) will increase from 51.2p to 54.6p, resulting in the difference between the two multipliers increasing to 4.7p.

3.12 The increase in the Business Rates Retention Scheme (including baseline funding and tariff levels) is linked to the increase in the multipliers. The government will pay a Section 31 Cap Compensation grant to councils to make up the difference between the weighted average increase in their multipliers and CPI at September 2023 (6.62 per cent).

3.13 Business Rates are set by government through the Valuation Office. West Suffolk is responsible for administering business rates as a billing authority, including its collection. Since 2013, local authorities can benefit financially from retaining locally a share of the growth in the total rates collected locally (they are also responsible for a share if the total rates decline). This means that if the government makes national decisions around business rates, including offering new reliefs or changing the multiplier applied, then the government will issue a compensatory payment (through a S31 grant) to local authorities so they are not financially impacted by the business rate income they would have otherwise received a share of had a national policy decision not been made.

Retail, Hospitality and Leisure Relief

3.14 At the Autumn Statement on 22 November 2023 the Chancellor announced the extension of the business rates relief scheme at 75 per cent for retail, hospitality, and leisure (RHL) properties into the 2024 to 2025 financial year. Local authorities are expected to use their discretionary relief powers (section 47 of the Local Government Act 1988, as amended) to grant these reliefs in line with the relevant eligibility criteria set out in guidelines. However, the full cost of granting this relief will be compensated through a section 31 grant from Government.

3.15 RHL reliefs are automatically applied to accounts without the need for businesses to apply. RHL relief is applicable to occupied properties which fall within the definitions within the guidelines of being retail, hospitality or leisure premises. RHL relief is being maintained at 75 per cent with effect from 1 April 2024. The 75 per cent reduction is applied after Transitional and Small Business Rate reliefs have been applied to reduce the amount payable by the ratepayer and is limited to £110,000 per business.

3.16 RHL relief requires the granting of the council's discretionary relief powers. Members are asked to approve the extension of this rate relief (which will be fully funded by the Government through section 31 grant) in order to support West Suffolk's businesses through support of recommendation 4.

Council tax referendum limits

3.17 In 2024 to 2025 the core referendum threshold will remain at 3 per cent (with district councils able to increase by the higher of £5 or 3 per cent). Police and crime commissioners will be able to increase their precept by £13 in 2024 to 2025. Social care authorities will be able to apply a further 2 per cent increase in 2024 to 2025 (5 per cent in total). The medium-term budgets currently assume a 3 per cent increase in West Suffolk's Council Tax in 2024 to 2025, followed by £4.95 annual band D increase across the remainder of the MTFS.

4. Council tax for 2024 to 2025

Council Tax level 2024 to 2025

4.1 The budget for Council Tax for 2024 to 2025 and future years is based on maximising our Council Tax receipts to protect services and to support our investment plans. For 2024 to 2025 the planned average Band D Council Tax level is proposed at £197.82, this represents an average band D weekly increase of just 11 pence. Noting that just over 70 per cent of our residents are in bands A to C so will actually see a lower increase.

Local Council Tax Support Scheme 2024 to 2025

4.2 Council in December 2023 agreed to a further one year extension to the West Suffolk Local Council Tax Reduction Scheme (LCTRS). The maximum reduction on Council Tax paid by LCTRS claimants, from 1 April 2024, will therefore remain up to 100 per cent.

4.3 The proposal is highly targeted to reach those who are already on means-tested benefits, many of whom are working, and has low administrative cost. This could benefit around 4,700 residents and represents a one year only £500,000 investment by organisations that set Council Tax precepts in supporting those most in need that meet the criteria.

4.4 It is part of a range of ways the council is supporting communities including those with the highest risk of financial hardship as a result of the current cost of living crisis. The cost (our share is approximately £50,000) to the council has been worked through the 2024 to 2025 budget setting process and is reflected in a reduced tax base for 2024 to 2025.

4.5 By providing additional support to residents the aim is to help avoid crisis situations, for example, homelessness and fewer applications for Exceptional Hardship Payments from those in receipt of Council Tax support.

4.6 This is a short-term measure for the financial year 2024 to 2025 only. After this period West Suffolk Council's LCTRS would revert to the current minimum 8.5 per cent contribution rate.

Changes to the Long-Term Empty Property Premium and Second Homes

4.7 The Levelling Up and Regeneration Act 2023 introduced new powers for councils to implement Council Tax premiums in order to support councils in addressing the impact of empty properties and second homes. Under the new Act, councils now have discretion to charge the Long Term Empty (LTE) premium after one year rather than the current two years, and to impose up to a 100 per cent Council Tax premium on second homes (furnished properties which are unoccupied or occupied periodically).

4.8 To be able to charge the second home premiums the billing authority needs to make a determination at least one year before the beginning of the financial year to which the change relates. Approval for the LTE element was given as part of the budget setting process in February 2023, so provision is already in place for this to come into force from April 2024. Council is now being asked to support the implementation of the second home premium with effect from April 2025. It should also be noted that a decision to revoke this determination can be made at any point up to 31 March 2025.

4.9 The Act also enables councils to specify if they want any particular type of property to be excluded. At this stage, the categories of properties that can be exempted from the second homes premium have not been disclosed and are yet to be set out in further regulations.

4.10 This change in legislation provides councils with a financial lever to use Council Tax to achieve behavioural changes linked to bringing empty properties and second homes back into general use within the locality. So the long term empty property premium is to be seen as a deterrent for those home owners that continue to hold empty properties for a long period that could otherwise be available for housing. Similarly, the purpose of the second home premium is to encourage owners to bring them back into use to help relieve pressure on existing housing stock in the area.

5. Setting the budget - 2024 to 2025 and across the medium term to 2027 to 2028

5.1 On 21 February 2023 the council approved a budget for 2023 to 2024 and medium term financial plan for West Suffolk Council to 2027. This medium term financial plan was balanced for the first two years and then showed a budget gap of £2.67 million in 2025 to 2026, and £3.69 million in 2026 to 2027 (these are cumulative amounts). Since then the council has experienced significant cost and demand pressures as seen through our in year monitoring reports through Performance and Audit Scrutiny Committee and this proposed budget and medium term financial plan includes updated projections to reflect these alongside new saving and income initiatives to enable a sustainable budget for West Suffolk.

5.2 At its meeting on 23 November 2023, report No. PAS/WS/23/023, the Performance and Audit Scrutiny Committee (PASC) supported Cabinet with the next steps and principles for future financial planning across the medium term. Our approach is designed to enable the council to respond effectively to changing circumstances while maintaining a medium-term focus on the council's financial sustainability.

5.3 West Suffolk Council's response to the financial challenges and opportunities will continue to follow our six key themes agreed in December 2023. Our opportunities include capturing and building on the learning and innovative ways of delivering our services, experienced during this time. Our six key financial strategy themes:

1. Aligning resources to the West Suffolk strategic priorities and the delivery of essential services.
2. Sharing services and innovation in service delivery.
3. Behaving commercially, delivering a return to our communities
4. Considering new funding models.
5. Supporting online access to council services.
6. Taking advantage of new forms of local government finance.

5.4 Attachment A is the revenue budget summary, which provides an overview of the proposed income and expenditure for 2024 to 2028. The total proposed revenue expenditure in 2024 to 2025 is £69.1 million (excluding housing benefits).

5.5 This revenue forecast includes several inflation assumptions as detailed in the following table.

Inflation assumptions assumed in the MTFS

Inflationary changes	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028
Pay inflation	4.0%	2.0%	2.0%	2.0%
Employers pension contribution	26.00%	26.00%	26.00%	26.00%
Pension take-up assumption	95.75%	95.75%	95.75%	95.75%
Vacancy savings	2.5%	2.5%	2.5%	2.5%
Drainage board precepts inflation	3.0%	3.0%	3.0%	3.0%
General inflation	0.0%	0.0%	0.0%	0.0%
ICT inflation	3.0%	3.0%	3.0%	3.0%
Business rates - CPI at Sept	4.48%	2.00%	2.00%	2.00%
Fees and charges	Varies	2.0%	2.0%	2.0%
Utilities	5.0%	5.0%	5.0%	5.0%
Electricity	7.5%	7.5%	7.5%	7.5%
Transport - fuel	5.0%	5.0%	5.0%	5.0%
Insurance premium increases	15.0%	10.0%	10.0%	10.0%

Further details around the assumptions used in the MTFS are set out in Attachment D – Medium Term Financial Strategy 2024 to 2028. Budget assumptions continue to be reviewed as more accurate information becomes available.

5.6 The PASC committee received one further ‘delivering a sustainable budget’ report during the 2024 to 2025 budget process. This report (reference PAS/WS/24/001) detailed a number of budget pressures, investments and saving proposals. These have all been worked through the 2024 to 2025 budget process and are detailed in Attachment B. Since the PASC committee meeting the following updates have also been included in the proposed budget:

- the government announcement for additional funding as set out in paragraph 3.2,
- the business rates estimates (NNDR1) has been completed
- the surplus for both the council tax and business rates collection funds have been updated with the most recent monitoring data

Fees and charges

5.7 As part of the budget setting process, and as reported to the Performance and Audit Scrutiny Committee PAS/WS/24/001 on 25 January 2024, the council has undertaken a review of its fees and charges pricing used in the budget and medium term. All fees and charges, including car parking, are reviewed annually. This is to ensure:

- That we are recovering the cost of delivering discretionary services on a user pays basis (taking into account charging levels made by other local authorities)

- Consistency of approach in line with the new fees and charges policy
- Appropriate visibility for those pricing decisions that are likely to have significant public interest (including those over 5 per cent annual increase – in line with the council's constitution).

The fees and charges that are changing and meet the reporting requirements are detailed in attachment D appendices 6 and 6a.

Delivering our sustainable future – beyond 2024 to 2025

5.8 There is a significant amount of uncertainty with the government grant and business rate retention scheme assumptions that underpin the indicative 2026 to 2028 budget projections contained in Appendix A and B. The current assumption within these projections is that government funding will be significantly reduced from the levels currently received, as detailed under each of the grant headings in section 3 above.

5.9 The following table sets out the potential range, as a best and worst case scenario depending on whether the current level of grants and business rate retention scheme growth continue across the longer term (best case scenario) or that all growth currently received through the business rates retention scheme is removed alongside no grant being provided (worst case). The assumption within the MTFS is that only 50 per cent of business rates retention growth is available. It is very unlikely that a new government would implement the worst-case scenario, so this should be seen as an illustration of impact and if that was to happen, it is envisaged that transitional funding would be made available to soften the reduction over a period of time so not to create such a cliff edge.

	2024 to 2025 £m	**2025 to 2026 £m**	**2026 to 2027 £m**	**2027 to 2028 £m**
Current budget gap as set out in 3.4 above	**0.00**	**0.00**	**5.71**	**6.28**
Best case scenario: Additional income to that currently assumed – retain the current level of grants and all business rate retention scheme growth from 2026/27	0.00	0.00	(5.22)	(5.30)
Revised budget gap – best case scenario	**0.00**	**0.00**	**0.49**	**0.98**
Worst case scenario: Reduced income – remove all business rate retention scheme	0.00	0.00	3.27	3.34

growth from 2026/27 alongside no grant provided				
Revised budget gap – worst case scenario	**0.00**	**0.00**	**8.98**	**9.62**

5.10 The above shows, for illustrative purposes, a budget gap range in 2027 to 2028 of £0.98 million to £9.62 million between the best and worst case scenario around government funding assumptions (assuming all other budget assumptions remain the same as detailed in the proposed 2024 to 2025 budget and medium term plans). This also illustrates our continued reliance of government funding to deliver local services.

5.11 In the absence of certainty from government over grant levels in the medium to longer term, work continues on developing annual saving, income and initiative plans (following the agreed MTFS themes) of £1 million per annum from April 2026 across the medium term to remain ahead of the curve and to address any longer-term financial challenges for West Suffolk Council. The Council also maintains the business rates equalisation reserve (current balance £7.4 million) to support any cliff edge reductions in business rates funding (including appeals) that might be created from future government funding announcements. This reserve covers this risk and would provide short to medium term funding (albeit one off), allowing certainty and time so further savings and income plans can be delivered to address reduced funding in the medium to longer term if that was to be the outcome of future funding settlements.

6. Capital Programme 2024 to 2028

6.1 The capital expenditure of the council through its investment approach has an impact on the revenue budget and is part of the overall preparation of the revenue proposals for the coming year. Its overall capital expenditure is not just about creating a income or savings but also has greater benefits such as providing infrastructure for businesses, our high streets and rural areas; reducing our carbon footprint; protecting jobs; helping prevent homelessness and improving access to services.

6.2 It is estimated that £60.31 million will be spent on investment through our capital schemes during 2024 to 2025 which are to be funded by a combination of grants and contributions (£5.29 million), earmarked revenue reserves (£6.72 million), our usable capital receipts reserve (£5.47 million) and borrowing (£42.83 million).

6.3 Included within the strategic capital projects are a number of previously agreed projects such as the AME Units Suffolk Park, Rougham Hill redevelopment, Barley Homes, Provincial House, alongside a number of proposed new capital projects that will be subject to Council approval as part of the budget reports. These include:

- A £1.2 million investment in the commercial unit at Anglian Lane site in Bury St Edmunds to regenerate the asset whilst increasing its rental income – exempt business case at Appendix 2d.
- A £1.1 million investment in the commercial unit at 2 Hollands Road in Haverhill regenerate the asset whilst increasing its rental income – exempt business case at Appendix 2e.
- A £30.0 million capital funding provision to support our Investment in our Growth Agenda Fund, which will be subject to separate business cases. This fund will be available to support projects such as the redevelopment of the Olding Road site (Business Case due in the coming months), temporary accommodation acquisitions and other capital project as they come forward in support of the new strategic priorities.
- £2.75 million of investment to top up the Net Zero fund to support further investment in our assets, including our leisure portfolio and in our solar for business scheme.
- An additional £3 million capital budget (£15.1 million in total) for the AME units, Suffolk Park, to reflect increased construction costs from the latest project gateway review, funded by prudential borrowing with the cost of borrowing to be funded by increasing the pot B business rate income share (subject to partners agreement).
- A £6.2 million investment in Bury Leisure Centre, funded over 10 years by the one off £0.45 million AMP provision and the annual £0.724 million revenue budget to create a capital budget through prudential borrowing.
- A £2.0 million investment towards a total £4.0 million capital project delivering a new sport and leisure provision at the St Felix site in Newmarket – exempt business case at Appendix 2f iii.
- £1.7 million for transitional costs associated with the introduction of weekly food waste collections, relating to the purchase of bins and new vehicles.

6.4 Looking ahead, the total value of the capital programme over the next four years is approximately £106 million, £131 million across ten years. Attachment D, Appendix 2 shows the planned capital expenditure in financial year 2024 to 2025 and future years, together with information on the funding of that expenditure (that is, grants and contributions, use of earmarked revenue reserves, useable capital receipts reserve and external borrowing) and is summarised in the table below.

Planned capital expenditure over four years to 2027 to 2028

	2024 to 2025 millions	2025 to 2026 millions	2026 to 2027 millions	2027 to 2028 millions	Total millions
Gross capital expenditure	**£60.31**	**£36.70**	**£5.18**	**£4.20**	**£106.39**
Funded by: Grants and contributions	£5.29	£0.90	£0.90	£0.90	£7.99

Earmarked revenue reserves	£6.72	£3.73	£3.02	£3.29	£16.76
Capital receipts reserve	£5.47	£0.12	£0.01	£0.01	£5.61
External borrowing	£42.83	£31.95	£1.25	£0.00	£76.03
Total	**£60.31**	**£36.70**	**£5.18**	**£4.20**	**£106.39**

6.5 Subject to the year-end outturn position, any carry forwards from the 2023 to 2024 budget will be added to the 2024 to 2025 capital programme budget at the year-end.

Disposal of surplus assets

6.6 Part of the funding arrangements for the capital programme has been the disposal of surplus assets. Assets are regularly reviewed to identify those surplus to requirement. The following table is a summary estimate of the likely level of income from asset disposals over the period 2024 to 2028.

Estimated income from asset disposals 2024 to 2028

	2024 to 2025 millions	**2025 to 2026 millions**	**2026 to 2027 millions**	**2027 to 2028 millions**
Council share of right to buy receipts	£0.50	£0.50	£0.50	£0.50
Other asset disposals	£2.76	£0.17	£1.32	£0.06
Total	**£3.26**	**£0.67**	**£1.82**	**£0.56**

6.7 The above capital programme and asset disposals programme will, in the short to medium term, move the council's usable capital receipts reserves from £10.38 million to £7.44 million. This assumes that all borrowing included within current and future business cases will be drawn down. This balance doesn't currently take into account the £4 million capital receipt replenishment to be assumed in the Olding Road business case which is the working assumption for the site, the £4 million which was also assumed in the Western Way business case is to replenish the capital receipts used to support the West Suffolk Operational Hub project.

6.8 The calculation of interest income used in the medium-term plans is based on the use of existing and anticipated capital expenditure and receipts, and external borrowing where the business cases assumed funding would come from borrowing.

6.9 Borrowing rates have been assumed in line with previous business case assumptions. A review of the total interest payable budget assumption has been carried out during the 2024 to 2025 budget process to assess the adequacy of the total annual budget given the increase in external borrowing rates. This review has considered the councils overall need to borrow based on its cash flow requirements (including the revised capital programme and assumed borrowing requirements) and the current and future external interest rate projections. The outcome of that review is that the current total interest payable budget, supported by any in year fluctuations from the capital financing reserve, is sufficient to cover the interest payable expected over the medium-term plans.

6.10 The Prudential Code for Capital Finance and matters relating to the affordability of the capital programme are addressed in Attachment D, Appendix 4. The revenue cost of the capital programme is achievable across the medium term provided the savings and income streams indicated in the MTFS are implemented.

7. Minimum revenue provision (MRP)

7.1 The Treasury Management and Annual Investment Strategy included elsewhere on this agenda (Report number CAB/WS/24/009) and the Prudential Indicators (Attachment D Appendix 4), provide a framework within which borrowing limits for the council are established and will confirm our MRP policy for 2024 to 2025.

8. General fund balance

8.1 The revenue budget, Attachment A, based on current budget projections, shows a balanced budget position for 2024 to 2025 and 2025 to 2026. However, many of the assumptions supporting the budget projections for 2024 to 2025 (and future years) are subject to significant uncertainty. This includes assumptions regarding:

- sustainability of income stream estimates (including commercial property rental, car parking, trade waste and planning income)
- impact of business rates retention scheme and Suffolk pooling arrangements
- pay inflation and employer’s pension liabilities.

8.2 The council holds general fund balances as a contingency to cover the cost of unexpected expenditure during the year. As outlined in Attachment C (Adequacy of Reserves and Robustness of Budget Estimates) the council’s general fund balance is set at a minimum of £5 million.

8.3 The recommended level of general fund balance has been established by taking into account the following:

- allowance for a working balance to cushion the impact of any unexpected events or emergencies

- the new risks placed at a local level under the new business rates retention scheme, such as appeals
- the addition of greater income targets and project returns linked to being more commercial and the selling of council services
- other risks detailed in the Scenario Planning and Sensitivity Analysis provided at Attachment D, Appendix 5.

9. Earmarked reserves

9.1 At the beginning of the 2024 to 2025 financial year the council will have an estimated £41.12 million in earmarked reserves. The current level of earmarked reserves and contributions during 2024 to 2025 has been reviewed and where appropriate annual contributions have been adjusted. Attachment D, Appendix 3, provides details of the proposed contributions to, and projected expenditure from, earmarked reserves during 2024 to 2028.

9.2 At the end of 2027 to 2028 these reserve balances are planned to fall to £38.54 million, in support of financing a number of key investment projects and day to day operations.

9.3 The council has a 5-year asset management plan that is included within the proposed revenue and capital budgets. The capital element is detailed in attachment D appendix 2a. The 5-year asset management plan is fully funded through an annual revenue contribution and use of the building maintenance reserve and includes provision for the short to medium term investments required in our leisure centres.

10. Strategic priorities and MTFS reserve

10.1 This reserve acts as a one-off fund to provide the financial capacity, either through direct investment (revenue and/or capital) or through servicing external borrowing, for the council to drive forward the delivery of a sustainable Medium Term Financial Strategy (MTFS) and the West Suffolk Strategic Plan priorities. This reserve is forecast to move from £2.59 million at the beginning of 2024 to 2025 up to £3.49 million by the end of 2027 to 2028, subject to the confirmation of a New Homes Bonus receipt in 2025 to 2026.

10.2 The following table shows the total New Homes Bonus (NHB) grant payments made to the predecessor councils since the scheme began in 2011 to 2012, including the expected West Suffolk Council receipts in both 2024 to 2025 and 2025 to 2026, as well as the NHB element of the Funding Guarantee Grant. These NHB allocations were all put into this Strategic Priorities and MTFS reserve up to the financial year 2019 to 2020. In 2020 to 2021, £1.2 million of the grant was utilised towards the overall budget pressures which arose as a result of the COVID-19 pandemic. The council also budgeted to utilise £0.7 million of the 2021 to

2022 grant as part of its budget position and the continued impact of COVID-19. For 2022 to 2023 onwards the full grant allocation has been contributed to the reserve.

New homes bonus (including Funding Guarantee from 2023 to 2024) – grant receipts

Year	Forest Heath millions	St Edmundsbury millions	West Suffolk millions
2011 to 2012	£0.562	£0.268	£0.830
2012 to 2013	£1.436	£0.559	£1.995
2013 to 2014	£1.679	£0.757	£2.436
2014 to 2015	£2.166	£0.886	£3.052
2015 to 2016	£2.437	£1.219	£3.656
2016 to 2017	£2.644	£1.754	£4.398
2017 to 2018	£1.278	£1.553	£2.831
2018 to 2019	£0.718	£1.272	£1.990
2019 to 2020	N/A	N/A	£1.848
2020 to 2021	N/A	N/A	£1.811
2021 to 2022	N/A	N/A	£1.320
2022 to 2023	N/A	N/A	£1.756
2023 to 2024	N/A	N/A	£1.756
2024 to 2025	N/A	N/A	£1.756
2025 to 2026 – estimated	N/A	N/A	£1.756

10.3 The 2024 to 2025 budget and MTFS includes a number of draws on this reserve as previously approved or under consideration through the democratic process. Attachment D Appendix 3a summarises the proposed draws on this reserve as part of the 2024 to 2025 budget and the medium term budgets. The proposed future of the New Homes Bonus scheme is set out in section 3 above.

10.4 This budget includes an additional investment of £1.0 million for 2024 to 2025, to support housing, sustainable growth and thriving community initiatives. This includes a commissioning pot of £500,000 to progress a number of sustainable growth objectives, including the economic potential of Brandon and the A1307, A11 and A14 corridors. A further £100,000 (£200,000 across two years) "thriving communities" fund is also proposed to develop and improve access to a programme of activities and advice for residents facing challenges as a result of the cost of living crisis.

10.5 The council also acknowledges the pressures experienced by its partners, and as such is also proposing £300,000 extraordinary utility support to Abbeycroft Leisure in order to protect against swimming pool closures and other reductions in provision. A £100,000 provision has also been allocated to identify more ways in which the council can increase affordable, preferably social housing, across the district, including investigating the use of a Housing Revenue Account so that the council can build homes for social and affordable rent.

10.6 It is proposed that these initiatives set out at paragraph 10.4 and 10.5 be funded by a contribution from the council's Strategic Priorities and Medium-Term Financial Strategy Reserve.

10.7 The budget retains an annual allocation for Locality budgets for Councillors and Community Chest, funded through the Strategic Priorities and Medium-Term Financial Strategy Reserve. Cabinet will also be reviewing the process by which the Community Chest funds are allocated in the next few months to ensure that future funding continues to reflect the council's priorities, in particular supporting our communities with cost of living pressures.

11. Adequacy of reserves

11.1 Section 25 of the Local Government Act 2003 requires the Section 151 Officer (Director (Resources and Property)) to report to council, as part of the tax setting report, her view of the robustness of estimates and the adequacy of reserves. The council is required to take these views into account when setting the Council Tax at its meeting on 20 February 2024. The full statement is set out in Attachment C.

11.2 In summary, the Section 151 Officer's overall assessment is that the estimates are robust (taking into account known risks and mitigating strategies) and reserves are adequate for the 2024 to 2025 budget plans.

12. Alternative options that have been considered

12.1 The council is required by statute to set a balanced budget and therefore there are no alternative options.

13. Consultation and engagement undertaken

13.1 All budget changes have been reviewed by and discussed with Leadership Team, Service Managers and Members.

14. Risks associated with the proposals

14.1 A risk assessment is included at Attachment C as part of the report by the Director (Resources and Property) (Section 151 Officer). Her conclusion is that overall, the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2024 to 2025 budget plans. Cabinet and Council are advised to have regard to this report when making their decisions on the 2024 to 2025 budget.

15. Legal implications arising from the proposals

15.1 The Local Government Act 2003 imposed duties on local authorities in relation to financial management which covers the following areas:

a. A power for the Secretary of State to determine a minimum reserve level for local authorities by regulations. The Government has indicated that their preference is to keep this power in reserve.

b. Section 25 of the Act places a requirement on the S151 Officer to report on the adequacy of reserves and robustness of budget estimates as part of the authority's annual budget setting process. The council is required to take these views into account when setting the Council Tax at its meeting on 20 February 2024. This is included as Attachment C of the report.

c. Sections 28 and 29 of the Act place a statutory duty on local authorities to monitor their budgets and take such action as considered necessary in the case of overspends and shortfalls of income.

15.2 Section 30 of the Act relates to the provisions preventing local authorities entering into agreements following a Section 114 Report which a S151 Officer must produce when it appears that expenditure of the authority in a financial year is likely to exceed the resources available to meet the expenditure. No such report has been produced for West Suffolk this year.

16. Appendices referenced in this report

16.1 **Attachment A** – Revenue budget summary

16.2 **Attachment B** – Summary of major budget changes

16.3 **Attachment C** – Report by the Director (Resources and Property)

16.4 **Attachment D** – Medium Term Financial Strategy 2024 to 2028

16.5 **Attachment D Appendix 1** – 5 year revenue budget (MTFS)

16.6 **Attachment D Appendix 2 –** Capital programme

16.7 **Attachment D Appendix 2a** - 2024 to 2025 Capital Programme - Property Asset Management Plan Breakdown

16.8 **Attachment D Appendix 2b** - 2024 to 2025 Capital Programme - Leisure Asset Management Plan Breakdown

16.9 **Attachment D Appendix 2c** - 2024 to 2025 Capital Programme - Car Parking Improvements Breakdown

16.10 **Attachment D Appendix 2d-f - (Exempt)** Business cases to support new strategic capital projects

16.11 **Attachment D Appendix 3 –** Earmarked revenue reserves

16.12 **Attachment D Appendix 3a –** Strategic Priorities and Medium Term Financial Strategy Reserve

16.13 **Attachment D Appendix 3b -** Investing in Our Growth Agenda reserve

16.14 **Attachment D Appendix 3c -** Business Rates Retention Pilot: Place-Based reserve

16.15 **Attachment D Appendix 3d -** Building Maintenance Reserve - Property

16.16 **Attachment D Appendix 4 –** Prudential code for capital finance

16.17 **Attachment D Appendix 5 –** Scenario planning and sensitivity analysis

16.18 **Attachment D Appendix 6** – Fees and charges changes

16.19 **Attachment D Appendix 6a** – Fees and charges prices increases

16.20 **Attachment E –** Capital Strategy

16.21 **Attachment F** – Flexible use of capital receipts strategy

16.22 **Attachment G** – Investing in the West Suffolk Council Net Zero 2030 Emissions Target

17. Background documents associated with this report

17.1 Delivering a Sustainable Medium-Term Budget – report number: PAS/WS/23/023: 23 November 2023

17.2 Delivering a Sustainable Medium-Term Budget – report number: PAS/WS/24/001: 25 January 2024

17.3 2023-2024 Performance Report (Quarter 3) - report number: PAS/WS/24/005 25 January 2024

17.4 Financial Resilience – Strategy Statement 2023 to 2024 and Treasury Management Code of Practice CAB/WS/23/007