

# 2024/25 Budget & MTFP Scrutiny Consultation

January 2024

# Agenda

- Remaining Budget Gap
- Post Settlement Update/ Exceptional Financial Support
- Public Health Grant
- Questions : Public Health
- Next Steps and Close

## Remaining Budget Gap after all current budget proposals and Council tax assumptions

Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Revised gap before new budget savings proposals	18.098	6.552	2.272	26.922
New savings proposals	(14.038)	(5.083)	(1.967)	(21.088)
Revised gap after new savings proposals	4.060	1.469	0.305	5.834
New growth to support transformation	0.000	0.127	0.000	0.127
Reversal of savings approved by Council in 2023/24 Budget Report	1.158	-	-	1.158
Proposed unachievable previously approved savings	1.061	-	-	1.061
New growth/amend previous years' savings	2.219	0.127	0.000	2.346
Refreshed Budget Gap + / Surplus ()	6.279	1.596	0.305	8.180

Report Reference - Table 18

# Post Settlement Update

- **Local Government Finance Settlement** announced 18 December
  - Analysis of impact will be complete early January
- Initial assessment - settlement is in line with officer expectations and **does not close the 2024/25 budget gap.**
- CIPFA guidance to s151 Officers who are considering issuing a **s114 Notice** is to:
  - engage with DLUHC and make an application for **Exceptional Financial Support (EFS)**
  - in order to agree a financial recovery plan that will avoid the requirement for a s114 Notice
- EFS will provide a temporary funding solutions that will buy time for the Council to achieve financial sustainability and avoid a s114 Notice
- Prior to issuing a s114 Notice, the s151 Officer and Chief Executive, with the support of the Mayor and Executive
  - will make an **application for EFS – Mid January**
  - **DLUHC response** expected at the latest prior to Council meeting on **28 February.**

# Public Health: Clarity of PH Grant Spend Against PH Grant Conditions

## Aims:

1. Ensure the PH Grant spend is compliant with the PH Grant conditions
2. Establish clarity of priority PH outcomes through the development of the Public Health Strategy
3. Development of whole Council action through clear SLAs and PH Grant allocation

Phase 1: Establish the scale of risk of the current allocation, applying principles established in Nottingham and adopted by ADPH which were used to review existing allocations, considering areas that are delivering to (non-PH) statutory duties and that are routine Council services. PH Grant allocation assessed as Red or Amber (meaning PH funding could not be allocated to these line): £4.858m

Phase 2: Development of the PH Strategy, building on the PH Programme Approach to articulate clearly the priority PH Outcomes followed by meetings with Finance Business Partners' and HoS to identify areas of the council that can contribute to PH outcomes. The funding contributions were agreed and SLA's were developed between PH and directorates for the contributions.

Phase 3: Establish a governance framework to oversee the delivery of Public Health outcomes against the contributions aligned to the SLA's. The PH strategy, PH grant allocation and SLA's went to Executive on 20 December 2023

[Agenda for Executive on Wednesday 20th December, 2023, 12.30 pm | Middlesbrough Council](#)

Directorate	2023/24 Budget
Adult Social Care	£1.004m
Children's Care	£2.879m
Education and Partnerships	£0.566m
Regeneration	£0.457 m
Environment and Communities	£0.920 m
Finance	£1,005m
Legal and Governance Services	£0.458 m
Total contribution across council	£7.289m

# Public Health – Financial Context 2023/24

- For Period 7 (October 2023), the forecast outturn is £133.792m (before Financial Recovery Plans), an adverse variance of £7.438m (+5.9%) – a decrease of (£1.118m) from the £8.556m reported at Quarter 2.
- Financial Recovery Plans totalling £1.584m have been proposed which if assured and fully implemented would reduce the adverse variance to £5.854m.
- Public Health, with a current gross spend budget of £18.309m forecast outturn is £17.913m with the balance, a **favourable variance of £0.396m** allocated to Public Health Reserves.
- The key drivers of the favourable variance is due to underspend in relation to reduced prescribing costs under substance misuse services and staff savings arising from delayed recruitment to vacant posts

# Questions

# Next Steps & Close

- Individual Panel's views/ comments will be compiled in a “consolidation briefing note“ and discussed at the OSB Special meeting on the 18<sup>th</sup> Jan.
- Once agreed at OSB this will be submitted to the Mayor/ Exec by the Chair of OSB.
- If any answers are provided outside of the Panel these may need to be fed into the “consolidation note.”