

For publication

Budget Strategy Implementation Plan

Meeting:	Cabinet
Date:	14 November 2023
Cabinet portfolio:	Leader of the Council
Directorate:	Finance
For publication	

1.0 Purpose of report

- 1.1 The purpose of this report is to set out the next stages in the Council's plans to achieve a balanced budget for 2024/25 and for developing the Medium-Term Financial Plan (MTFP) through to 2027/28 and to enable public engagement and consultation to commence. The report leads on from the Council's Budget Strategy that was approved by Cabinet and Council in July.
- 1.2 Further work will be needed to produce a legally balanced budget for 2024/25 and is likely to result in further budget proposals needing to be identified. The responses to the consultation will be considered and any proposed changes will be agreed by Cabinet in February 2024.

2.0 Recommendations

- 2.1 To note the financial operating context, updated budget assumptions and the current MTFP gaps.
- 2.2 To authorise officers to progress with the delivery of the operational savings proposals set out in the budget strategy implementation plan – stage 1 (**Paragraph 3.29** and **Appendix A**).
- 2.3 To approve in principle the proposals set out in the budget strategy implementation plan – stage 2 (**Paragraphs 3.30** and **Appendix B**).
- 2.4 To authorise officers to progress the development of the proposals through to appropriate decision-making, in line with the Council's constitution and statutory requirements, including carrying out more specific engagement and consultation activities where required by law and best practice to inform the development of proposals prior to decision making.

- 2.5 To approve the launch of a Budget Conversation with residents, businesses, and stakeholders across the borough to set out the challenges that the Council is facing and to seek feedback on the proposed strategic approach to achieving a balanced budget for 2024/25 and over the period of the MTFP.

3.0 Reasons for recommendations

- 3.1 To respond to the scale of the challenging financial environment within which the Council is operating and to enable the Council to work towards developing a balanced 2024/25 budget and MTFP, which will support the Council to continue to deliver against the visions and priorities set out in the Council Plan.

4.0 Report Details

Background

- 4.1 Like all local authorities, Chesterfield Borough Council continues to face significant financial challenges. The sustained period of austerity since 2010, the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic, the cost-of-living crisis and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position.
- 4.2 In response to these challenges, the Council has already made significant savings over many years and taken steps to manage demand and deliver services in the most economic, efficient, and effective way. It is against this context that the Council must now develop its approach to balancing the 2024/25 budget and to achieving the same over the period of the MTFP. This report covers the General Fund revenue budget, which is one part of a suite of budget reports which together make up the MTFP.
- 4.3 The financial impact of Covid-19 and the cost-of-living crisis on Council services has been and continues to be significant, resulting in new cost pressures and reductions in income, particularly in areas such as car parking, markets and town centre retail units. Income remains significantly below pre-pandemic levels and may never fully recover.
- 4.4 These challenges are exacerbated by the uncertainty of future financial settlements for local government and how available funding will be shared. Local authorities continue to be provided with one-year financial settlements, which provide little financial certainty and security.
- 4.5 Longer-term reform of local government funding has been delayed until the next Parliament and a structural solution is needed to meet the many statutory duties and demands placed on local authorities. Local authorities continue to lobby strongly for a long term sustainable financial settlement, but it is becoming less likely that this will occur in the short term.

- 4.6 Recent analysis by the Local Government Association (LGA) reveals that Councils in England face a funding gap of £4 billion over the next two years. This is a £1 billion increase since the LGA's initial analysis in July 2023 as cost and demand pressures continue to rise:

Councils are facing an "inflationary storm" which is adding unsustainable costs onto council budgets. Some councils have warned these costs are threatening their financial sustainability, not least because councils have already absorbed a 27 per cent real terms cut in core spending power since 2010/11.

Budget Strategy

- 4.7 The Council's Budget Strategy was approved by Council on 19 July 2023. This report set out the assumptions which underpinned the General Fund revenue element of the MTFP at that time, the priority work that needed to be undertaken to establish new and emerging service pressures, and a strategic framework for delivering the savings that would be needed to achieve a balanced budget for 2024/25 and over the medium-term.
- 4.8 The Budget Strategy report set out the need to drive out savings of at least **£2.5m** at pace, within a framework that was prudent, responsible, and sustainable, and optimised to secure savings in the short- and medium-term to reduce and remove reliance on reserves, stabilising the Council's financial position and establishing affordability of Council services.
- 4.9 A detailed approach to addressing the £2.5m budget gap has been worked through with the Council's Corporate Leadership Team (CLT) and Labour Cabinet members over the past few months drawing on the thematic interventions set out in the Budget Strategy. These interrelated interventions were designed to support the development of proposals that would enable a balanced budget to be achieved whilst also providing information to enable the Council to reconsider how best to continue to deliver the priorities and outcomes in the Council Plan within the available resources. The themes are:
- Identifying General Efficiencies
 - Increasing Income and Establishing Stronger Commercial Operating Principles
 - Transforming how we Deliver Services
 - Reducing Service Offers / Stop Doing – Statutory and Non-Statutory Services
 - Rightsizing the Organisation
 - Asset Rationalisation and Effective Asset Management

Updating our Budget Assumptions and Service Pressures

- 4.10 It is extremely difficult to estimate how future inflation and other global events will impact on local authorities. However, we are required by law to

set a balanced budget and to build our MTFP with the best information that is available and in the full knowledge of the risks and uncertainties involved.

- 4.11 There are a number of key factors that will influence and shape the next phase of the budget process. The Provisional Local Government Settlement expected in December 2023 should provide greater certainty around funding levels.
- 4.12 A General Election is due to take place no later than 28 January 2025 and as a consequence Local Government Finance reform, originally due to be implemented from April 2020, has been pushed back until at least April 2025. However, due to the time required for the reforms to be consulted on and implemented by a new Government, it is more likely that the reforms will be delayed until April 2026.
- 4.13 Therefore, it should be noted that the updated MTFP position set out in this report is subject to considerable uncertainty. As with all estimates and assumptions, there is an inherent risk that they may not be accurate. The financial position will continue to be monitored with the estimates and assumptions reviewed and updated throughout the budget setting process. These will be finalised once the provisional Local Government Settlement is announced which is expected in December following the Autumn Statement, which is scheduled for 22 November 2023.
- 4.14 However, where possible work has been undertaken to check and challenge budget assumptions and identify new and emerging service pressures for 2024/25, and over the term of the MTFP, in light of new information and the volatile environment in which the Council is operating. This work is important to enable the budget gaps to be updated and ensure that the size and scale of the gaps represent the best estimates of the level of savings that will need to be delivered. The following paragraphs set out the updated assumptions.
- **Funding Assumptions** - An indicative level of funding for 2024/25 was set out in 2023/24 Local Government Finance Settlement published in February 2023. Assumptions on funding have been reviewed for the purposes of the MTFP update but remain uncertain.
 - New Homes Bonus (NHB) - At the time, the 2023/24 settlement was published the Government committed to consulting on a review of the NHB scheme and as such, the MTFP assumed no NHB past 2023/24. No consultation has taken place. For the purpose of the updated MTFP it is therefore assumed a further payment of NHB will be made in 2024/25 (£423k) and 2025/26 (£300k) based on an initial assessment from the Council Taxbase (CTB1) return.
 - Other Grants, Business Rates, Section 31 Grants and Pooling - The assumed CPI uplift on Business Rates/S31/Top Up Grant funding has been increased to 6.5%. The revised assumptions benefit the forecasts

by **£350k** of additional grant income in 2024/25 and £250k in 2025/26. In addition, Chesterfield is a member of the Derbyshire Business Rates Pool and, based on the indicative figures for 2023/24, the return from the Pool has been increased by a further **£250k** for 2024/25 reducing to **£100k** in 2025/26.

The Government have recently published a consultation covering the technical adjustments to the Business Rates Retention System in response to the Non-Domestic Rating Bill which outlines changes to the ways that business rates multipliers will be calculated and could be implemented from 2024/25. The Council is required to finalise its Business Rates estimates for 2024/25, including the surplus or deficit for 2023/24 by 31 January 2024 and any adjustments will be included in the final General Fund revenue budget report to Council in February 2024.

- Council Tax - The Settlement for 2023/24 confirmed referendum levels for 2023/24 and for 2024/25. District Councils are permitted to increase their share of the Council Tax by the greater of up to 3% or £5 without triggering the need to hold a referendum. The 2024/25 assumptions have been updated to reflect the trigger level for 2024/25 which provides an additional **£57k** of income.

It is important to note that the Government assumes in the Core Spending Power (CSP) calculation that councils will increase Council Tax to the maximum allowed level. If the Council, therefore, does not implement at the maximum level, then its spending power would be reduced going forward with no funding from Government to mitigate this.

- **Non-Pay Inflation** - The Consumer Price Index inflation (CPI) in the UK economy peaked at 11.1% in October 2022 and although this has reduced to 6.7% for the twelve months to September 2023, CPI is now forecast to stay higher for longer than the Chancellor originally set out in his budget forecasts.

The MTFP assumed no general price inflation within the estimates other than pay and annual inflationary increases to contractual commitments particularly in relation to the indexation of the refuse and recycling contracts which are based on a cost-plus CPI indexation for the prevailing rate of CPI in March and is applied from May. We are also seeing significant increases in our ICT software licence agreements which are also linked to CPI.

Due to the high levels of uncertainty and volatility the MTFP recommended that **£550k** be set aside in a central contingency for inflationary increases in 2023/24 with an additional **£100k** in 2024/25 to accommodate further increases, to be allocated to services in-year once the estimates became more certain. These have now been quantified and **£929k** has been included within the base estimates for 2024/25 and the **£650k**

contingency has therefore been removed. The net impact of the inflationary pressure is **£279k**.

- **Pay Inflation** - The 2023/24 base budget included a 4% assumption for pay inflation. However, at the end of February 2023, after the Council had set its budget, the Local Government Employers made an offer which significantly exceeded this. Local government trade unions have now accepted this offer of a flat rate of **£1,925** per annum increase for the majority of council employees under 'green book' conditions. This results in an average 5.6% pay increase for council staff, with the percentage increase being greater for lower paid employees. The additional 1.6% over the 2023/24 budgeted sum will result in an additional **£300k** cost pressure in year and in the 2024/25 base budget.

The MTFP for 2024/25 currently assumes a pay increase of 2% for all years. This level of provision is likely to be insufficient due to the concerns that inflation may reduce slower than originally forecast. To mitigate this risk the forecast for pay inflation has been increased from 2% to 3%, which has resulted in an additional forecast pressure of **£200k** in the 2024/25 base budget.

Service Pressures

- 4.15 The budget assumptions have been reviewed and updated to take account of known changes, new and emerging service pressures, and inflationary increases. These have been included based on the latest forecasts, however there are risks that these may in time materialise differently to that assumed. An assessment of the 2023/24 in year budget has also necessitated the inclusion of pressures to reflect shortfalls of income and the need for additional funding to meet demand and inflationary increases.
- 4.16 Emerging service pressures of **£2.137m** in 2024/25 rising to **£2.340m** by 2027/28 have been identified within services. **Table 1** sets out a summary of the pressures and further details are set out below.

Pressure Type	MTFP Impact			
	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Demand - reduced income	850	960	1,040	1,140
Demand – cost pressures	481	345	194	198
New Requirements	530	546	547	548
Other	277	307	254	454
Total Net Service Pressures	2,137	2,158	2,035	2,340

- 4.17 Demand - reduced Income – An indicative budget pressure is included in the draft revenue budget for 2024/25 to reflect the income shortfalls that we are seeing particularly in relation to the Pavements shopping centre and other town centre commercial and retail property (**£740k**) due to increased void rates which has impacted on rental, service charge and business rates income. There is also a further anticipated budget reduction in car parking income (**£110k**) which is over and above the £400k pressure included in the 2023/24 base budget. Income from all car parks is lower than expected due to the longer than expected recovery of the economy post pandemic and the ongoing economic impact on town centre footfall (i.e., the impact of cost inflation on shopping habits and fuel prices).
- 4.18 Demand - cost pressures – These relate mainly to the homelessness service (**£100k**) which is under significant pressure from the increased use of bed and breakfast temporary accommodation, increased costs in relation to private sector housing enforcement activity (**£40k**) and additional resources required within the revenues and benefits service (**£194k**) due to Government delays in implementing universal credit migration. Additional pressures are also emerging within the ICT service (**£128k**) relating to data storage and cloud infrastructure costs.
- 4.19 New Requirements – These relate primarily to new and enhanced software requirements within the ICT service (**£500k**) particularly in relation to elections mobile functionality, egress secure data transfer, Salesforce and MuleSoft applications. An assumption has been made that **£334k** of ICT costs are transformational in nature i.e., they will either generate further savings or future cost avoidance and therefore meet the criteria for the use of capital receipts flexibility.
- 4.20 Other Pressures – These include additional financing costs, primarily due to increases in interest rates, particularly on short term variable rate loans, partially offset by the increased income from our investments (**£120k**). There has also been a realignment of cultural services budgets (**£156k**) due to the closure of the Pomegranate Theatre in June 2023 in preparation for the Stephenson Memorial Hall restoration project.

Updated Budget Gap

- 4.21 The Council approved the General Fund Revenue Budget for 2023/24 on 23 February 2023. The 2023/24 budget was balanced with the use of **£1.000m** from the budget risk reserve. The use of reserves in this way was in line with the Government's expectations. DLUHC encouraged "*local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures*". The Government also outlined that it would consult with "*trusted partners*" including the Local Government Association, on releasing data on reserves held by councils.

- 4.22 Whilst the Local Government Finance Act 1992 required the Council to set a legal budget and Council Tax precept for the financial year 2023/24, the Council was not in a position to set a balanced MTFP over the 4-year period. There were significant gaps in the MTFP of **£2.535m** in 2024/25 rising to **£3.408m** in 2026/27.
- 4.23 The updated budget assumptions and service pressures set out in **paragraphs 4.14 to 4.20** of this report have increased the budget gap to **£4.066m** in 2024/25 rising to **£5.941m** in 2025/26, with further significant increases in future financial years. However, there are significant risks in forecasting past the 2024/25 financial year as the continuing uncertainty around the level of Government funding that local authorities will receive makes medium and long-term financial planning almost impossible. The gaps will be updated following the announcement of the Provisional and Final Settlements for 2024/25.
- 4.24 Whilst there is no legal requirement to set a balanced MTFP, this is considered good practice. However, the introduction of the expected fair funding reforms, which are expected to consider how Government funding is best redistributed to areas of need, still do not have a confirmed implementation date. The impact of this will remain unknown until further information is provided. This means that how much funding the Council can expect to receive from Government over the medium term continues to remain speculative beyond the next financial year.
- 4.25 Given the size and scale of the financial challenge referenced in **paragraph 4.23**, it is acknowledged that the Council will not be in a position to set a balanced MTFP over the 4-year period. Instead, the Council will need to focus on the delivery of ongoing, sustainable savings in the current financial year and in 2024/25 that will go some way to addressing the gaps in future financial years.
- 4.26 The 2025/26 budget process will, therefore, require an early focus to allow maximum time for the development and delivery of future budget savings. There are likely to be more difficult decisions for the Council to make.

Budget Strategy Implementation Plan - Savings proposals

- 4.27 Given the considerable size of the budget gaps all Council services, corporate and front line, were asked to develop savings proposals in relation to each of the 5 thematic interventions set out within the Council's Budget Strategy.
- 4.28 The resulting implementation plan has been split into 2 stages, as set out in the following paragraphs.
- 4.29 **Stage 1** – These are largely officer operational decisions or decisions delegated to Cabinet members. These are proposals that will have little or no impact on service delivery and limited policy implications if at all. They

are as a direct result of in year budget reviews, the appropriate charging out of service costs to grant funding or bespoke reserves, services' behaving more commercially or implementation of limited service transformation measures.

£539k of new Stage 1 savings proposals have been included within the draft MTFP. Some of these proposals are one off and, as such, will fall out in future financial years. The ongoing impact of these savings proposals is **£269k** in 2027/28. Details of the individual proposals are set out in **Appendix A**.

£269k of the Stage 1 savings relate to the further funding of Economic Development activity through Retained Business Rates for a period of 2 years. This is in accordance with the Business Rates Retention policy for Markham Vale Enterprise Zone in relation to three key programme areas for investment: key projects delivery, economic growth activities and skills activities.

- 4.30 **Stage 2** – These are savings proposals that require further development, including engagement or consultation with service users, stakeholders, staff, and trade unions. Officers will be required to progress the development of the proposals through to appropriate decision-making, in line with the Council's constitution, including carrying out specific engagement and consultation activities as required to support decision making.

It is not possible to accurately quantify the level of savings that will be delivered from these proposals until the reviews have been undertaken and the details have been confirmed. It is therefore prudent to indicate the likely annual financial benefit in ranges. These have been set at; up to £10k; £10 to £50k; £50 to £100k; £100 to £200k; +£200k.

Appendix B sets out the range of potential savings to be delivered, of between **£1.690m** and **£2.460m**. Some of the proposals may be one off and, as such, will fall out in future financial years, others will not be implemented in full in 2024/25.

- 4.31 The Rightsizing the organisation theme in **Appendix B** references the Voluntary Redundancy / Voluntary Early Retirement (VR/ VER) Scheme, which was launched on 27 July and open to all employees until 15 September. The appendix includes the additional savings that are estimated as a result of the opportunities that have been identified through this scheme. Some of the individual saving proposals set out in Stage 1 and 2 will be dependent on the outcome of these decisions.
- 4.32 Employee costs are one of the biggest financial cost drivers in the Council's financial plans, with budgets in excess of £21m in 2023/24. Recent and forecast pay awards have contributed to the significant budget gaps now evident in the MTFP. There are a number of vacant posts already in the system and a review of these is underway. These vacancies are being held

for a number of reasons, for example, pending a restructure or because of difficulty in recruiting to certain posts, and some have been held vacant for a period of time. This review will help us to understand if any of the vacant posts can be easily removed from the establishment.

- 4.33 In addition to the VR/ VER and the removal of vacant posts, the Council are currently scoping a review of the terms and conditions (T&C's) of Council staff. The purpose of the review would be to create a set of T&C's that are more fitted to the Council's business needs whilst also providing the opportunity to deliver savings.

Budget Conversation

- 4.34 The Council will engage with residents and stakeholders on an ongoing basis through Stage 2 of the afore-mentioned process. This will take the form of a 'budget conversation' which will be launched in November, initially providing a general update on the Council's budget, and capturing feedback on the thematic interventions and the generality of the savings proposals via a questionnaire. There will also be focussed pieces of consultation and engagement on specific savings proposals with relevant stakeholder audiences throughout the budget conversation process. A budget conversation webpage will also be established with key information.

Impact on the gap

- 4.35 The inclusion of the Stage 1 savings proposals of **£539k** set out in **paragraphs 4.29** of this report would reduce the budget gap to **£3.527m** in 2024/25 and **£5.412m** in 2025/26.
- 4.36 The Stage 2 proposals are likely to drive out savings of between **£1.690m** and **£2.460m** and, even at the top end of the range, these are still insufficient to address the gap for 2024/25. Further ongoing, sustainable savings proposals will need to be put forward at pace to address the gap for 2024/25.

Financial Resilience and Reserves

- 4.37 Reserves are an important part of the Council's financial strategy and are held to create long-term financial stability. They enable the Council to manage change and are a key element of its financial standing and resilience. The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked and unearmarked reserves and a working balance to mitigate future financial risks.
- 4.38 The General Fund Working Balance has been set at **£1.5m** and is informed by a detailed risk assessment undertaken as part of the annual budget

setting process. The on-going financial challenges and risks set out in this report suggest it imprudent to consider reducing this amount.

- 4.39 In addition to the General Fund Working Balance the Council maintains several other reserves. Earmarked reserves, by their very nature, are set aside and committed for specific purposes, such as property repairs and vehicle & plant replacements.
- 4.40 Sections 32 and 43 of the Local Government Finance Act 1992 require councils to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. The assessment of reserves is important in the context of the sustained cuts in Government funding affecting local authorities, the significant risks and uncertainties that the Council faces in this post-pandemic era and recent decisions to apply some of the Council's reserves. It is important to acknowledge that reserves are 'one off' funds and are therefore suitable for funding 'one off' or unexpected costs. The use of reserves to fund ongoing expenditure or to cover failures to achieve budgeted savings is never advised, except in emergencies and/or to enable transition to new ways of working. Whilst the use of reserves to date has been deemed to be affordable, they are now at a level whereby any significant further use would leave the Council exposed and potentially unable to manage both known and unknown risks.
- 4.41 A full review of reserves is underway, and a refreshed Reserves Policy will be considered as part of the MTFP at full Council in February 2024.

Conclusions and Next Steps

- 4.42 Like all local authorities, the Council's financial position over the coming years is challenging. The sustained period of austerity since 2010, the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic, the cost-of-living crisis and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position. This new economic reality has already brought and is expected to bring significant financial challenges to the Council over the medium term.
- 4.43 In response to these challenges, the Council has already made significant savings over many years and taken steps to manage demand and deliver services in the most economic, efficient, and effective way. However, it is against the context outlined in paragraph 4.42 that the Council must now develop its approach to balancing the 2024/25 budget, and the Medium-Term Financial Plan (MTFP).

4.44 This report presents the first draft of the budget for 2024/25 and of the MTFP. However, there are still a number of key factors that will influence the shape of the next phase of the budget process:

- Further work will be undertaken to check and challenge the budget assumptions for 2024/25 and over the medium term in light of new information and the volatile environment that the Council is operating in. This work is important to enable the current budget gaps to be updated and ensure that the size and scale of the gaps represent the best estimate of the level of savings that will need to be delivered.
- The Provisional Local Government Finance Settlement will not be announced until December 2023.
- The Business Rates projections are still being worked through. They are particularly complex and challenging to calculate this financial year due to the additional reliefs that the Government has made available for businesses alongside other revaluation and transitional arrangements. These projections will not be available until the end of January.

4.45 Developing the savings proposals set out in **appendix B**, through the appropriate Council decision making route, will be a core activity for officers for the remainder of this financial year, aiming for implementation of savings from 1 April 2024.

4.46 Internal officer working groups have been set up to lead and manage delivery of the MTFP, to oversee Workforce Planning including implementation of the VR / VER scheme, to take forward Digital Transformation, and to develop a detailed action plan to give effect to the Asset Management Strategy. These working groups will continue to develop further savings proposals.

5.0 **Alternative options**

5.1 There are no real alternative options to the Council having a sound and comprehensive Budget Strategy that optimises its ability to address the multiple risks, uncertainties and challenges that it currently faces. These are set out in the body of the report. The Council's ability to set a balanced budget is not helped by the Government's inability to offer councils no more than single-year settlements. 2024/25 will be the sixth year of single-year settlements for councils, which hampers the Council's ability to undertake effective financial planning and achieve financial sustainability.

5.2 The thematic interventions set out in this report provide the architecture for addressing the current budget gaps. Specific savings proposals will need to be developed under each of the interventions to enable the Council to make timely decisions.

6.0 **Implications for consideration – Financial and value for money**

6.1 The report in its entirety deals with financial and value for money implications.

7.0 Implications for consideration – Legal

7.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the Council to produce a balanced budget each financial year. Before setting the level of the Council Tax the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimate brought forward from previous financial years, and any amounts required to be transferred between funds. The Council Tax itself must be sufficient to cover the difference between the agreed budget less government grants credited to the income and expenditure account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous financial years.

8.0 Implications for consideration – Human resources

8.1 It is expected that the Council will need to reduce the workforce during 2023/24. It is hoped that at least 30 Full Time Equivalent posts can be removed through voluntary redundancy or voluntary early retirement, thereby reducing the need to implement compulsory redundancies later.

8.2 All Proposals containing staffing implications will be subject to more specific engagement and consultation where required by law and best practice to inform their development prior to decision making. The need to support Council employees as much as possible through changes is recognised.

9.0 Implications for consideration – Council Plan

9.1 In preparing the budget estimates for the coming financial year and updating the MTFP, detailed consideration has been given to the need for the Council's finances to be at appropriate levels to enable the Council to deliver in full on the priorities, objectives, and commitments that it has set itself within the new Council Plan 2023 - 2027.

9.2 The preparation of sustainable and balanced budgets over the medium term is also a key activity in contributing to delivery of the third Council Plan priority 'building a more resilient council'.

10.0 Implications for consideration – Climate Change

10.1 Climate Change is a key consideration in the development of the Council's annual budget and MTFP. Climate Change Impact Assessments are undertaken for specific spending options and activities and form a key part of the Council's decision making. The MTFP also makes a significant positive climate change commitment through the allocation of mainstream funding to

provide the staffing resources and project funds required to support delivery of the Council's Climate Change Strategy and Action Plan.

11.0 Implications for consideration – Equality and diversity

- 11.1 An equalities impact assessment has been undertaken on the proposals within Stage 1 of the budget implementation plan and in support of the launch of the planned Budget Conversation **(see appendix C)**.
- 11.2 Further EIAs will be undertaken as appropriate for each of the in-principal savings proposals within Stage 2 of the budget implementation plan as they are developed, consulted/engaged on, and brought forward for decision making.
- 11.3 No negative impacts for customers with protected characteristics are anticipated concerning the Stage 1 savings proposals as these are mostly operational / back office related. However, some of the proposals at Stage 1 will have an impact on employees. These proposals will be implemented in line with the Council's existing policies and procedures, for example, the Voluntary Redundancy and Early Retirement scheme, and the Restructuring Redeployment and Redundancy policy, which have been subject to separate EIAs.

12.0 Implications for consideration – Risk management

- 12.1 There are a number of significant risks inherent in any budget forecasting exercise and these risks increase as the period covered increases. A critical element to achieving long term financial sustainability is to ensure that all of the agreed savings' proposals included within the budget for 2024/25 and future financial years are delivered. As we move into the development of savings and income generation proposals, budget holders will be required to properly quantify and qualify all risks associated with the delivery and implementation of such proposals to avoid underachievement. Detailed implementation plans will be required for each savings proposal.

Decision information

Key decision number	
Wards affected	

Document information

Report author	Contact number/email
Theresa Channell	Theresa.channell@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	

This must be made available to the public for up to 4 years.

Appendices to the report

Appendix A	Budget Strategy Implementation Plan - Savings proposals – Stage 1
Appendix B	Budget Strategy Implementation Plan - Savings proposals – Stage 2
Appendix C	Equalities Impact Assessment – Stage 1 proposals