



Committee	Cabinet
Date	6 February 2024
Subject	General Fund Budget and Council Tax Report 2024/25
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money
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Key Decision?	No
Is the report Open or Exempt?	OPEN

Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	N/A
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Purpose/Summary

At the end of the 2024/25 budget process, the Council is required to approve a balanced budget for the following financial year and set the Band D rate of Council Tax. This report sets out the context and initial parameters in order to achieve that objective and contribute towards a sustainable position for the next financial year.

The report brings together all the relevant information to enable Members to review, consider and comment upon the Council's General Fund revenue budgets before making recommendations to Council on 21 February 2024.

Recommendation(s)

That Cabinet recommend to Full Council that it approves:

1. The 2024/25 General Fund Revenue Budget as set out in this report and summarised in **Appendix A5** and notes the budget forecast for 2025/26 and beyond;
2. The reserves and balances movements as presented in **Appendix A6**;
3. A proposed Band D Council Tax for East Suffolk Council of £186.57 for 2024/25, an increase of £5.40 or 2.98%;
4. The following Council Tax premiums be applied, following the enactment of the Levelling Up and Regeneration Bill on 26 October 2023:
 - the 100% premium for properties which have been empty and unfurnished for a period of between 1 and 2 years from 1 April 2024, and
 - the 100% premium for second homes from 1 April 2025; and
5. That the Chief Finance Officer and Section 151 Officer is granted delegated authority to implement the introduction of the additional Council Tax premiums as per Recommendation 4.

Strategic plan

How does this proposal support Our Direction 2028?

Environmental Impact

The Council has committed to delivering positive climate, nature and environmental impacts through the decisions we make and the actions we take and this will be reflected in all our work.

During 2024/25, we will be reviewing our Asset and Procurement Strategies, both of which will demonstrate the key relationships between looking after the environment and long-term financial stability.

Specifically there is an annual budget in the region of £0.140m for Environmental Climate. This includes resourcing to help co-ordinate and support the delivery of the Council's commitment

	<p>to net Zero by 2030. A Climate Change Reserve is also held which is currently being used for Plastic Action.</p> <p>The 2024/25 budget includes an approved £0.110m contribution to the Green Light Trust to support the completion of a new purpose-built eco exemplar indoor learning centre.</p> <p>The Cycling and Walking Group is now set up with Terms of Reference agreed with its overarching aim to promote active travel (cycling, walking and wheeling) throughout East Suffolk and to help facilitate the delivery of the East Suffolk Cycling and Walking Strategy and promote modal shift. The group has met several times and has engaged with a number of communities and developers to scope out its work programme.</p> <p>A new reserve has been established for the Strategic Plan, with an allocation of £1.5m for the theme of Environmental Impact, including £1m for the Cycling and Walking Strategy. An additional post is also to be established to support this work.</p> <p>The Council contributes £0.050m per annum to the National Landscape Partnership, and this is included in the budget for 2024/25 and the following years of the MTFs. This contribution ensures continued support and promotion of the importance of the Area of Outstanding Natural Beauty within East Suffolk.</p> <p>The Planning Service has actively addressed the challenges of the introduction of mandatory Biodiversity Net Gain (BNG) from February this year by working with other Suffolk authorities as to how the process will be implemented and operated. The team has also employed two further ecologists to complement the existing team in the services Specialist Services Team and the management of the BNG agreements and funds will be facilitated through the services Infrastructure Delivery Team. The introduction of BNG will be carefully monitored through the coming year.</p>
<p>Sustainable Housing</p>	<p>Together with the Housing Revenue Account, the budget commits to support safe, suitable and sustainable homes. We will look to bring forward business cases to deliver affordable and sustainable housing as opportunities arise.</p> <p>Specifically the budget recognises the pressure on temporary accommodation and the impact on Housing Benefit Subsidy loss. This has been identified as a £0.100m annual pressure.</p> <p>By enabling growth in the Council tax base, whether from new properties or bringing empty homes back into use, this generates income to the Council from Council Tax, and Government funding in the form of New Homes Bonus (NHB) which is set to continue for another year in 2024/25.</p> <p>From 2025/26, the MTFs includes the introduction of the 100% Council Tax premium on second homes from April 2025. This is</p>

	<p>currently estimated to generate additional annual income in the region of £0.760m for the Council from 2025/26. The MTFS currently shows this annual income being held in the Strategic Plan Reserve until 2027/28 to support Sustainable Housing ambitions.</p>
<p>Tackling Inequalities</p>	<p>A significant amount of the work done by the Council’s dedicated office cohort, is aimed at supporting those most at need and in protecting vulnerable people. Teams such as communities and leisure, housing, environmental health and economic development are committed to improving the quality of life across the District.</p> <p>Specifically the budget recognises an annual increased funding for the Voluntary, Community, Faith and Social Enterprise (VCFSE) organisations which are integral to delivery of this Strategic ambition. The total budget provision is £0.270m.</p> <p>The £0.110m contribution to the Green Light Trust supports their vision to provide health and wellbeing programmes in a nature-based setting.</p> <p>The NHB reserve provides funding for a number of initiatives supporting this theme of the Strategic Plan, this includes;</p> <ul style="list-style-type: none"> • The Community Partnerships model which continues to be developed and the budget includes an annual provisional in the region of £0.600m until 2026/27 • Community Hubs with an additional £0.080m of funding being provided next year. <p>The Council has provided funding for a range of mental health programmes with schools including free training for teachers, mentoring programmes in Lowestoft, Crucial Crew Plus focussed on Safety.</p> <p>There is a significant amount of working with Public Health – Feel Good Suffolk programme. They are allocating £0.101m per year to us for three years for a Community Centred Approaches to Health programme. The Council worked in partnership with Public Health and Norfolk and Waveney ICB to secure £0.160m for the Lowestoft Health Hearts project, and the Council has helped to deliver £0.200m of funding for four target areas through the Public Mental Health programme.</p> <p>The need to address and reduce anti-social behaviour is an ambition of the Strategic Plan. The budget includes an increase to the staffing budget to ensure this service is adequately resourced on a permanent basis going forward.</p> <p>During the current year the Council has supported transport in rural areas via community partnership funding – Buzzabout in the north of the district and Katch in the Framlingham/Wickham Market and Snape area.</p>

Thriving Economy

Continuing to support regeneration projects

Council led regeneration programmes in Lowestoft, Leiston and Felixstowe are supporting the Thriving Economy theme through increasing the economic viability of the district's towns, ensuring residents benefit from Nationally Significant Infrastructure Projects (NSIPs) and supporting responsible tourism and the visitor economy. In Lowestoft there is a major town wide regeneration programme contributing to the town's repositioning from a deprived and run down sea-side town to a thriving coastal resort and offshore renewables Operation & Maintenance (O&M) base. Key elements include:

Towns Fund - seeks to transform a tired high street and the seafront area through capital investments in arts, culture and leisure. A key objective is to adapt the current town centre away from an over reliance on retail which is demonstrated by the 24% vacancy rate (almost five times higher than Felixstowe). £65.1m of external funding has been secured to support an £82.7m regeneration programme.

- The Seafront Vision element of the regeneration programme includes the redevelopment and transformation of East Point Pavilion, Eastern Edge beach huts, Royal Plain, First Light Festival and Jubilee Parade. These are and will provide brand new contemporary attractions to draw in visitors from beyond Lowestoft's traditional visitor hinterland. This complements other major capital investment on the seafront such as the £16m CEFAS redevelopment which modernised and expanded the marine science facility.
- Jubilee Parade Phase 3 wholesale redevelopment of seafront asset to provide new food and beverage offer, toilets, showers, water sports storage and an accessible lift. Currently a tired building in need of refurbishment – investment (capital prog £0.600m plus LUF of £4.3m).
- East Suffolk is providing £0.500m and the Arts Council are putting in £0.600m over three years.

Specifically the Council has agreed to contribution £0.900m to the restoration and redevelopment of the former Lowestoft Town Hall into a community, heritage and events space. This is reflected in the budgets for 2024/25 and 2025/26.

Kirkley Waterfront land remediation and development of new sustainable community in the heart of Lowestoft. Supports two priorities within the Sustainable Housing theme – deliver the right housing based on our communities needs and promote housing developments which enhance wellbeing and protect the environment.

In Leiston the Council has funded a town centre masterplan vision to regenerate the town centre with an ambition to create a new mixed use market square and heritage quarter. Will be

progressing the viability and design works of the Market Square project during 2024/25.

In Felixstowe there are 3 development areas:

- South Seafront, £4m capital programme allocation to reinvigorate the seafront. Next phase of project delivery subject to agreeing the new Felixstowe Vision. Thriving economy link through investment in tourism assets which benefit residents as well as visitors.
- Landguard Peninsula, led by Landguard Trust but funded via parking receipts and income from East Suffolk owned café.
- North Felixstowe creation of sustainable leisure led development and new community of up to 2000 homes within a quality designed and green community.

Tourism contribution

East Suffolk invests in the tourism sector in a number of ways. Firstly, we support the Suffolk Coast Destination Management Organisation (DMO) with £55k pa to provide destination marketing service. Secondly we invest directly/ indirectly (via external funding) in Council assets to support the visitor economy e.g. majority of Towns Fund projects, Felixstowe Beach Village. Thirdly we support a range of events which draw tourists to the district e.g. First Light Festival, Tour of Britain, market town celebrations. Tourism is a key sector for East Suffolk with an economic value of £680m per annum and accounts for 14% of total employment.

Support and initiatives in the rural middle of the district

All towns across East Suffolk have and continue to benefit from ESC's wide ranging investments to deliver a thriving economy. This includes £3.9m from UK Shared and Rural Economy Prosperity Funds which provide place investment, business support and skills development funding. A further funding scheme which has focussed on all the district's town centres is the Towns Revitalisation Programme and since 2020 over £0.700m has been invested. A key capital investment (£1.8m) has been the Southwold Enterprise Hub. The majority of our towns in the 'rural middle' also benefit significantly from visitor spend, East Suffolk actively promotes coastal and market towns as tourism destinations via its funding of the Suffolk Coast DMO.

In recent years the Council has also invested £1.5m across all of the district's towns to provide digital infrastructure (free public wi-fi and footfall sensors) and business support.

The Youth Employment Service (YES) supports young people who are NEET (Not in Education, Employment or Training) across the whole district, Leiston is one of the towns with the highest demand for this service.

**Our Foundations /
governance of the
organisation**

The Council adopted its 'Our Direction 2028' corporate strategy in November 2023. It is a clear articulation of the Council's corporate priorities underpinned by financial sustainability and governance. This is supported by the Medium Term Financial Strategy.

At the heart of the budget is good financial management and governance to provide and monitor spend on services and investments.

This report forms an important element of good governance, ensure financial sustainability and putting the Council's assets to good use. It highlights areas of financial, strategic and operational risks which will impact on the Council's MTFS. This informs an assessment of an appropriate level of General Fund balance and reserves to be held, balancing financial risks and the ability of the council to deliver on its ambitions. The current approach has been for the Council to maintain a General Fund Balance of between 3% and 5% of its budgeted gross expenditure (£4- £6m). The balance currently held is £6m.

One of the key underpinning financial principles of the MTFS is to not use the Council's Reserves (and other one-off resources) as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.

The MTFS provides the framework for budget discussions for the forthcoming financial year. The MTFS is an essential element in achieving a balanced budget and a sustainable medium term position, whilst setting a balanced budget for the coming year is a statutory requirement. The 2024/25 budget is considered at the following meetings;

- Cabinet 2 January 2024
- Scrutiny Committee 18 January 2024
- Cabinet 6 February 2024
- Full Council 21 February 2024

This report proposes a Council Tax increase for 2024/25 of up to the referendum limit, to provide the necessary funding towards delivering council services, including the introduction of the Second Home Council Tax Premium from April 2025.

East Suffolk Council created ESSL to operate as a Local Authority Trading Company (LATCo) following a thorough review of its joint venture (JV) partnership with Norse, which ended on 30 June 2023. The first year's operation of ESSL has been and continues to be about stabilisation and identification of opportunities for the development and improvement of the various services this company delivers.

	<p>The asset maintenance budgets are used for physical reactive repairs and planned cyclical maintenance at non-housing buildings, land and infrastructure assets including occupied buildings (tenanted and operational), public conveniences, beach huts/chalets, car parks, cemeteries, parks & gardens, public open space, footpaths, roads, watercourses, campsites and harbours etc. The budgets are based on condition surveys and asset inspections, known cyclical and typical annual requirements, plus specific requests from managing departments. In addition to maintenance and repairs at buildings, the budgets also include for a range of statutory compliance and servicing, such as Legionella, Asbestos, Electrical, Fire safety, etc. The budgets are a work-in-progress every year, trying to refine them, and move towards a more planned approach, rather than reactive, which the implementation of Shire over the coming years will aid.</p>
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Justification for recommendations

1. Background

- 1.1. The MTFS sets the strategic financial direction for the Council. It sets out the key financial management principles, budget assumptions and service issues.
- 1.2. The MTFS provides a framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Strategic Plan. It provides a sound basis for planning and decision making, and is reviewed and updated at the following key points in the year:
 - November/December – as a framework for initial detailed budget discussions for the forthcoming financial year.
 - January – an update to include additional information received at a national level and corporate issues identified through service planning and the detailed budget build.
 - February – with the final budget for the new financial year.
- 1.3. The key underlying principles of the MTFS are:
 - securing a balanced budget with reduced reliance on the use of reserves and general balances to support its everyday spending;
 - setting modest increases in Council Tax when appropriate;
 - delivering service efficiencies and generating additional income where there are opportunities to do so; and
 - deliver the priorities of the Council in a way that benefit of the residents of East Suffolk.

2. Introduction

- 2.1. **Economic Outlook:** The national economic background affects the costs the Council incurs, the funding it receives, and the demand for services as residents are affected by economic circumstances.
- 2.2. The twelve-month Consumer Price Index (CPI) inflation to December 2023 was 4.0%, up from 3.9% in November 2023. For local government, the September CPI (6.7% for September 2023) is important because it will be used to index the business rates multiplier, and to uplift Revenue Support Grant (RSG) and the baselines within the Business Rates Retention System (BRRS). The Bank of England projects CPI inflation to fall to towards its target of 2% later this year.
- 2.3. At its meeting on 13 December 2023, the Bank of England's Monetary Policy Committee (MPC) voted by a majority of 6-3 to maintain the Bank Rate at 5.25%. Three members of the Committee preferred an increase of 0.25% to 5.5%. The next meeting of the MPC to review the bank rate is 31 January 2024.
- 2.4. **Local Government Finance:** The Government published the Local government finance policy statement 2024 to 2025 on 5 December 2023 which set out the government's

intention for the local Government Finance Settlement for 2024/25. Details of the policy are provided in **Appendix B**.

- 2.5. On 18 December 2023 DLUHC published the Provisional Local Government Finance Settlement for 2024/25, a summary is provided in **Appendix C**. The increase in the Council's core spending power as per the Provisional Settlement for 2024/25 is 4.8% (4.9% 2023/24). This report includes the funding allocations for the Council as set out in the Provisional Settlement. Further details are provided in Section 4.4 to 4.11 of **Appendix A**. The most significant change to funding from the original budget assumptions for the Council is New Homes Bonus for another year, of £0.650m. Other settlement grants have either increased or decreased, but the overall funding position for the Council remains relatively unchanged, with only an additional £16,800 of funding compared to the original budget for next year.
- 2.6. The Government launched a consultation on the provisional settlement which ran until 15 January – the Council did submit a response. On 24 January 2024, the Government announced steps it will be taking in response to the consultation feedback, including additional funding in the Final Settlement so that all local authorities will see a minimum 4% in their Core Spending Power before taking any local decisions on raising Council Tax. This announcement indicates additional funding for the Council through the Rural Services Delivery Grant and the Funding Guarantee. The exact allocations will be confirmed in the Final Settlement, which is anticipated early February. However, initial estimates suggest additional funding next year for the Council in the region of £0.270m. This will be updated in the report to Full Council.
- 2.7. Other key steps in the announcement on 24 January included an ask of local authorities to produce productivity plans which will set out how they will improve service performance and ensure every area is making best use of taxpayers' money. The Government will monitor these plans, and funding settlements in future years will be informed by performance against these plans. The Government will also be establishing an expert panel to advise them on financial sustainability in the sector which will include the Office for Local Government and the Local Government Association. More information on these requirements is expected to be provided in the final Settlement.
- 2.8. **Business Rates:** The budget for Business Rates income is based on the NNDR1 return. The NNDR return for 2024/25 has now been completed and includes the split between Section 31 Grant and actual rates income. The budget estimate for Business Rates income for 2024/25 has been uplifted by £3.271m from the original budget, this includes an estimate for a Collection Fund surplus of £1.180m.
- 2.9. The Business Rates system may be subject to reform from 2026/27 with the changes potentially not impacting as seriously as previously forecast. In light of the impending reform, the approach that has been taken is to taper the Business Rates income budget from 2025/26. This is to reflect a cautious approach to the overall Business Rates income position in the latter years of the MTFs. This is covered in detail in 4.16 of **Appendix A**.
- 2.10. In October all Suffolk councils agreed to continue a pooling arrangement for 2024/25, which would allow them to retain a larger proportion of their share of growth by reducing the overall levy rate for Suffolk to £nil. In addition, and for 2024/25 only, Suffolk

Public Sector Leaders (SPSL) have agreed for their share of the pooling benefit for next year, to be distributed to the pool members using the same methodology as for the normal distribution. Demand and inflationary pressures are having a significant impact on council budgets and this will provide additional financial support through these pressures and to assist with setting balanced budgets and to protect council services. Suffolk County Council is the administering authority for the Pool and collates the NNDR1 returns of all of the Suffolk authorities. The Council is currently estimated to receive a Pooling Benefit for next year of £3.9m. In addition to this, the Pool also holds a £2m contingency reserve, also to be re-distributed to the Pool members in 2024/25. The current estimate for the Pooling Benefit to the Council is £4.6m. This estimate will be confirmed after January when Suffolk County Council has collated the NNDR1 returns of all of the Suffolk authorities.

- 2.11. The MTFS assumption is that the Council will continue to retain 100% Business Rates income from renewables.
- 2.12. **Council Tax:** Council Tax is one of the Council's most important and stable income streams, funding approximately 40% of the net budget requirement of the Council.
- 2.13. The increase in the tax base for East Suffolk is currently estimated to be 677.81 (0.75%) Band D equivalent properties, increasing the overall tax base for East Suffolk from 90,340.92 to 91,018.73 for 2024/25. This equates to around £0.123m of additional Council Tax income to the Council based on the current District Band D Council Tax of £181.17. The 2024/25 Council Tax Base was reported to Cabinet on 5 December 2023.
- 2.14. The 2024/25 provisional settlement confirms a council tax referendum principle for shire district councils of up to 2.99% or £5, whichever is higher. The proposed Council Tax increase of up to the referendum principle for 2024/25, would equate to a District Band D Council Tax for East Suffolk of £186.57, an increase of £5.40 or 2.98%. It would generate approximately £0.492m of additional income for East Suffolk.
- 2.15. **Council Tax Premium on Second Homes:** The Levelling-up and Regeneration Bill received Royal Assent at the end of October 2023 which included giving billing authorities the discretion to charge a 100% premium on second homes or empty dwellings. It gives billing authorities the power to charge a 100% premium on "dwellings occupied periodically". At its meeting on 25 January 2023, Full Council approve this in principle, subject to the Bill receiving Royal Assent. In order to implement the premium, a clear 12 month period and a full financial year's notice is required. Therefore the earliest a Second Home Premium could be charged is the 1 April 2025. Although the Act has been passed the categories of properties exempted from the second home premium have not yet been disclosed and regulation is being awaited.
- 2.16. Given the number of second homes in Suffolk, this 100% council tax premium should represent a significant addition to the income stream from Council Tax. It is estimated that this could generate in the region of £8.450m in East Suffolk - £6.265m for Suffolk County Council, over £1.100m for Suffolk Police, £0.759m for East Suffolk Council £0.326m Town & Parishes. This estimate is based on 2023/24 (current year) Council Tax levels. As the premium cannot be implemented until 1 April 2025, this estimate is subject to change due to change in the number of second homes in the district and the

Council Tax level set for 2025/26. The additional income to the Council of £0.759m has been included in the annual Council Tax income estimates from 2025/26. This has been transferred to the Strategic Plan reserve for potential use to deliver objectives under the Council's Strategic Direction of Sustainable Housing.

- 2.17. **MTFS Forecasts 2024/25 to 2027/28:** The budget continues to be reviewed and the following key areas of the budget are yet to be finalised which could lead to further movements on the budgets;
- Final estimate for the Pooling Benefit for Business Rates 2024/25
 - Announcement of the Final Local Government Settlement for 2024/25
 - Transfers to/from reserves as a result of the above.
- 2.18. In the Budget report to Full Council in February 2023 the MTFS reported an annual General Fund budget gap for 2024/25 of £3.511m. There have been significant challenges setting next year's budget – uncertainty with local government funding, cost pressures from pay and inflation, and supporting the Council's capital programme for next year. Additional income from business rates and the return on investment income from treasury management activities due to high interest rates, have been the two key items to largely offset budget pressures next year. Further details are provided in **Appendix A4**.
- 2.19. This report presents a balanced budget for 2024/25, which has required £1.85m use of the In-Year Savings Reserve to balance the budget.
- 2.20. **Reserves and Balances:** The total balance of General Fund Earmarked Reserves was £48.06m as of 1 April 2023, and the current projected balance at the end of the April 2028 is £31.21m. Reserve movements presented in **Appendix A5**, do not include use of reserves to address budget gaps beyond 2024/25. The General Fund balance remains at £6m, with no planned use over the current MTFS. This will be reviewed before the end of the budget process to consider if this is still an appropriate level of balance, given the increased pressure and funding uncertainty going forward.
- 2.21. Two new reserves to highlight from 2024/25, are the Resilience Reserve and Strategic Plan Reserve. The Resilience Reserve has been allocated a fund of £0.500m to provide an allocation of funding for the Council to use as and when it deems it to be appropriate in address matters of resilience, e.g. flooding events. The Strategic Plan Reserve has been allocated funds to facilitate the delivery of Council's new Strategic Plan ambitions, including any emerging priorities.
- 2.22. The detailed budget process includes an assessment of risk, the adequacy of the General Fund balance and a review of earmarked reserves. This review evaluates the need to create and/or change earmarked reserve levels and to release reserves which are no longer required, thereby becoming a one-off resource for the Council. As part of this year's review it will include a refresh of the reason for/purpose of each reserve, and how and when they can be used.

3. Proposal

- 3.1. The Finance team works with officers and the Corporate Leadership Team throughout the budget setting process which will lead to continual updating of the MTFS until a balance budget is achieved.
- 3.2. The Council has a statutory duty to deliver a balanced budget for the forthcoming year and Full Council will consider this budget at its meeting on 21 February 2024.

4. Financial Implications

- 4.1. Detailed financial analysis and commentary is included in **Appendix A**.
- 4.2. This report presents a balanced budget for 2024/25. This has been achieved by using £1.85m from the In-Year Savings Reserve to balance the budget.

5. Legal Implications

- 5.1. Section 25 of the Local Government Act 2003 places a personal duty on an authority's "Chief Financial Officer" to make a report to Council about the robustness of the estimates made for the purposes of the Council Tax calculations and the adequacy of financial reserves and balances.
- 5.2. The provisions of the Local Government Finance Act 1992 set out what the Council has to base its budget calculations upon and require the Council to set a balance budget with regard to the advice of its Section 151 Officer.

6. Risk Implications

- 6.1. Part of the process of delivering a robust medium-term strategy to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in **Appendix A1**.

7. Options

- 7.1. Setting a balanced budget for the coming year is a statutory requirement, therefore no other options are considered appropriate.

8. Recommendations

- 8.1. That Cabinet recommends to Full Council that it approves:
 - The 2024/25 General Fund Revenue Budget as set out in this report and summarised in **Appendix A5** and notes the budget forecast for 2025/26 and beyond;
 - The reserves and balances movements as presented in **Appendix A6**;
 - A proposed Band D Council Tax for East Suffolk Council of £186.57 for 2024/25, an increase of £5.40 or 2.98%;
 - The following Council Tax premiums to be applied, following the enactment of the Levelling Up and Regeneration Bill on 26 October 2023:

- 100% premium for properties which have been empty and unfurnished for a period of between 1 and 2 years from 1 April 2024
 - 100% premium for second homes from 1 April 2025; and
- That the Chief Finance Officer and Section 151 Officer be granted delegated authority to implement the introduction of these additional premiums.

9. Reasons for Recommendations

- 9.1. The consideration of the MTFS by members as part of the budget process is essential, especially in order to commence actions to achieve a balanced budget and a sustainable medium-term position. Setting a balanced budget for the coming year is a statutory requirement.

10. Conclusions/Next Steps

- 10.1. Part of the process of delivering a robust medium term strategy to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in Appendix A1 of the MTFS.
- 10.2. Section 25 of the Local Government Act 2003 places a personal duty on an authority's Chief Financial Officer to make a report to Council about the robustness of the estimates made for the purposes of the council tax calculations and the adequacy of financial reserves and balances. The Act also requires the Council to have regard to the report before it makes its budget and council tax decisions.

Areas of consideration comments

Section 151 Officer comments:

The Chief Finance Officer's report will be reported to Full Council when it considers the budget for 2024/25 on 21 February 2024. The report statement will clearly set out the budget assumptions used to arrive at the final recommendations.

Monitoring Officer comments:

This report complies with Section 2 of the Budget and Policy Framework Procedure Rules in the Council's Constitution. The setting of the Budget (Capital Programme, Housing Revenue Account, General Fund and Council Tax) is a matter reserved to Full Council, having considered recommendations made by the Cabinet. Scrutiny Committee was given the opportunity to scrutinise the Budget, and make recommendations on the Budget to Cabinet, at its meeting on 18 January 2024.

Equality, Diversity and Inclusion/EQIA:

An Equality Impact Assessment is not applicable at this stage of the draft Budget and MTFS. This assessment will be completed on the finalisation of the budget for approval in February 2024 and the results taken into consideration.

Safeguarding:

There are no direct implications arising from this report.

Crime and Disorder:

There are no direct implications arising from this report.

Corporate Services implications:

(i.e., Legal, Finance, Procurement, Human Resources, Digital, Customer Services, Asset Management)

There are no direct implications for Corporate Services directly arising from this report.

Residents and Businesses consultation/consideration:

Budget-related consultation questions formed part of the permanent residents' survey, which was live via the ESC website during 2023. The results of the survey will be incorporated into the final budget paper to Full Council.

Cabinet considered the report at its meeting on 2 January 2024 and the GLI Group held a budget overview meeting on 4 January 2024.

Appendices:

Appendix A	Medium Term Financial Strategy (January 2024 update)
Appendix A1	MTFS Key Principles and Risk Analysis
Appendix A2	East Suffolk Council Tax Base 2024/25
Appendix A3	NHB Reserve Summary 2023/24 to 2027/28
Appendix A4	MTFS Updates as at January 2024 – Key Items
Appendix A5	General Fund Revenue Budget Summary 2024/25 to 2027/28
Appendix A6	General Fund Reserve Summary 2023/24 to 2027/28
Appendix B	DLUHC - Local government finance policy statement 2024 to 2025
Appendix C	Provisional Local Government Finance Settlement 2024/25

Background reference papers:

Date	Type	Available From
02/11/2023	Bank of England Monetary Policy Report – December 2023	https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2023/december-2023
22/11/2023	Chancellor's Autumn Statement 2023	Autumn Statement 2023 - GOV.UK (www.gov.uk)
22/11/2023	Office for Budget Responsibility - Economic and fiscal outlook – November 2023	Economic and fiscal outlook – November 2023 - Office for Budget Responsibility (obr.uk)
05/12/2023	DLUHC - Local government finance policy statement 2024 to 2025	Local government finance policy statement 2024 to 2025 - GOV.UK (www.gov.uk)
24/01/2024	Local Government Finance Update Statement made on 24 January 2024	Written statements - Written questions, answers and statements - UK Parliament