



Rutland County Council

Finance Update

Scrutiny Session

- What pressures are we seeing?
- What other things are likely to change in next update?
- What are the risks and issues?
- What scenario might we face at budget setting and beyond?
- The Autumn Statement – what might it mean?

MTFP - latest

- Mid year report shows gap of £2.8m
- Updates deferred as no concrete information emerging re funding and market turbulence still impacting outlook
- Still lots uncertainty and guesswork but assumptions starting to be updated
- Adult Social Care Reforms – facing the challenge of budgeting for the unknown

Key Assumptions – MTFP

Assumption	Impact 23/24	Comment
Pay Award 23/24 - increase from 2% to 4%	£370k	Option to remain at 2%
Pay Award 22/23 – Impact of 22/23 Award	£321k	Impact hits all years from 23/24
Council tax base	£0k	Usually we get growth but empty discounts (statutory) and impact of arrears mean tax base is static
Government funding – no change yet	N/A	Early view is increases will be sourced via Council Tax
Business rates	£0	Work on appeals ongoing
Investment Income – updated for projected interest rates	£1,400k+	Based on expected rates profile, tails off from 24/25
Pension Fund rates	N/A (increase was c£130k)	Outturn MTFP was adjusted for new rates (27.8% up from 26.7%). Fixed for 3 years.

Key Assumptions – MTFP

Assumption	Impact 23/24	Comment
External Audit Pressure	£160k	From recent national procurement – all Councils have been advised that fees are expected to increase by 150%
Commissioned Transport Pressure	c£270k	Based on demand at mid year
Utilities	£221k - £272k	Based on increases of 100% - 120% as per December Cabinet Report
Remove Stopping of Charging for Green Waste (saving)	£136k	Waste Bill assumed that charging for green waste would have to cease and be replaced with a grant which was expected to be less than the income received.
Waste Contract Extensions from 24/25	c£400k	Based on 15% increase. Could be higher depending on market at the time of extension
Children's Social Care	£300k	Based on demand
Emerging savings proposals	£1,500+k	Work in progress, for draft budget 23/24
Adult Social Care	£Various	See next slide

Adult Social Care – Care cap reforms

- Government intention to fully fund
- LGA and Newton say Govt has underestimated funding by £10BN
- Locally, our modelling indicates funding in 23/24 of c£1m - £1.5m – its unknown what funding would be available if reforms delayed.
- Costs estimated as follows
 - Fair Cost of Care - £1.7m - £2.3m – Will progress regardless of reforms
 - New demand and growth - £1.1m - £1.5m – Will only progress if reforms progress
 - Operational Costs (staff and IT etc.) - £0.4m – 0.6m – work ongoing to review impact if reforms shelved
- Difficult to be more precise at this stage

MTFP – emerging scenario

- Some things going against us e.g. pay award, service pressures, cost of care
- Some things going for us e.g. investment income
- Still lots uncertainty – settlement more critical than ever
- **A poor “settlement” means Unitary Councils will be reassessing their financial viability and current plans – ourselves included**
- **A “settlement” which gives Councils more funding (via Council Tax flexibility) and no/little extra Government funding will put pressure on the Council tax decision**



Rutland County Council

Autumn Statement

Autumn Statement

- Spending Review 2021 – no cuts to funding announced
- Council Tax flexibility to 5% for ASC
- Adult social care - £1BN new funding and £1.3BN from delay to reforms
- Delay ASC charging reforms – to October 2025
- Household Fund continues into 23/24
- New Homes Bonus – no announcement

Autumn Statement

- Business rate reliefs – Extension of retail, hospitality, leisure into 23/24 plus supporting small business scheme

What does 5% mean for Council Tax?

Assumption	Impact 23/24 - yield	5 year yield	Annual Band D increase
0%	-£900k	-£4.5m	0
1%	-£600k	-£3.3m	18.98
2%	-£300k	-£1.6m	38.16
3% - current	£900k	£4.5m	57.33
4%	+£300k	£1.6m+	76.69
5%	+£610k	£3.3m+	95.87

— Key dates

- 17th November – Autumn Statement
- End November/early December – Local Government Policy Statement 23/24 and 24/25
- 5th December – pre budget briefing
- 20/21 December – Local Government Finance Settlement
- 12th January – Draft budget Cabinet