

Addendum to Agenda Item 7 – Proposed Business Plan for 2024-29

To: Council

Meeting Date: 13 February 2024

From: Chief Executive and
Executive Director of Finance and Resources

1. Background

- 1.1 This report updates Members in relation to the final settlement received from Government and the announcement of an additional £500m nationally for social care, a £10m addition nationally to services grant, and a £100m national distribution to councils from the business rates levy surplus account.
- 1.2 The draft business plan was considered by Strategy, Resources and Performance Committee on 30 January 2024 where it agreed unanimously the following recommendations;
- h) To authorise the Executive Director of Finance and Resources, as the Section 151 Officer, in consultation with the Leader and Deputy Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate including but not limited to;
 - (i) the final tax base, business rates and forecast local taxation receipts for 2023-24 from the billing authorities (due by 31 January 2024)
 - (ii) the final Local Government Finance Settlement from Government (expected early February 2024) alongside other grant announcements, outside of the settlement.
 - (iii) include in published Council papers for the budget discussion in February 2024, grant and or financial settlement (estimates) announced by Government after publication of these papers, but prior to publication of Full Council papers.
 - l) To recommend to Council that any increase in funding identified in (h) (iii) above is not allocated to reserves.
- 1.3 On 5 February 2024, the government published the final local government finance settlement, following the provisional settlement in December. This amendment to [Full Council Agenda Item 7 – Proposed Business Plan for 2024-29](#) sets out how the grant allocations impact the proposed 2024-29

Business plan.

- 1.4 The final settlement ([Final local government finance settlement](#)) largely confirms the assumptions that have been reflected in the proposed business plan, following the provisional settlement in December and the written ministerial statement on 24 January 2024. This includes confirmation that referendum thresholds have been set at 2.99% for core council tax and 2% for the adult social care precept. The changes compared to the position published are to provide the council level allocations resulting from the announcement (in January) of an additional £500m nationally for social care, a £10m addition nationally to services grant, and a £100m national distribution to councils from the business rates levy surplus account.

2. Updates to the position from the January meeting of the Strategy, Resources and Performance Committee

- 2.1 The additional sums allocated to Cambridgeshire as a result of grant announcements in February for the 2024-25 financial year are as follows:

Additional grant announced on 5 February	£m
Social Care Grant [one-off]	4.8
Services Grant [permanent]	0.04
Business Rates levy surplus return [one-off]	0.43
TOTAL	5.27

- 2.2 The [Written Ministerial statement](#) states that further social care grant funds should be “*used to deliver frontline services on which our communities rely*” and, more broadly, Government has outlined a requirement that all local authorities will need to “*produce productivity plans setting out how they will improve service performance and reduce wasteful expenditure*”. The business rates levy surplus return grant relates to 2023-24 but will be provided to authorities in 2024-25, and through this business plan is made available to 2024-25’s budget.
- 2.3 HM Government has indicated that it hopes to return to multi-year settlements and a funding review for local government, (including simplification of the current funding streams,) during the next Parliament. As such, there is no certainty about whether the amounts provided will become recurrent, either for local government nationally, or as part of this Council’s allocation.
- 2.4 There has been no official announcement yet about any continuation or tapering of the Household Support Fund or similar into the 2024-25 financial year. This grant is provided by a different Government Department, i.e. The Department for Work and Pensions, compared to the wider local government finance settlement.
- 2.5 On 4 February 2024 Government also published the Final Public Health Ringfenced Grant (PHRG) - [Government local authority circular](#). This has given rise to an additional £0.3 million to that reported to Strategy, Resources

and Performance Committee. It is assumed that this money remains ringfenced to Public Health to reflect the pressures faced on this grant, due to NHS pay inflation costs within commissioned services.