

Subject:	2023/24 Council Budget and Medium Term Financial Strategy	Status:	For Publication
Report to:	Council	Date:	28 February 2023
Report of:	Head of Finance	Lead Member:	Resources
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1. RECOMMENDATIONS

Council approve:-

- 1.1. A revenue budget for 2023/24 of £10.256m, as detailed in this report.
- 1.2. A council tax increase of 2.99%, increasing the Council Tax rate for a Band D property from £290.80 to £299.49, an increase of £8.69 pa.
- 1.3. Use of £756k from the Transitional reserve to support the 2023/24 revenue budget.
- 1.4. The proposed fees and charges attached as Appendix 1.
- 1.5. The technical resolution necessary to give effect to these budget proposals attached as Appendix 4

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to enable the Cabinet to recommend to Council the proposed revenue budget and level of Council Tax for 2023/24, together with implications for the Council's Medium Term Financial Strategy.

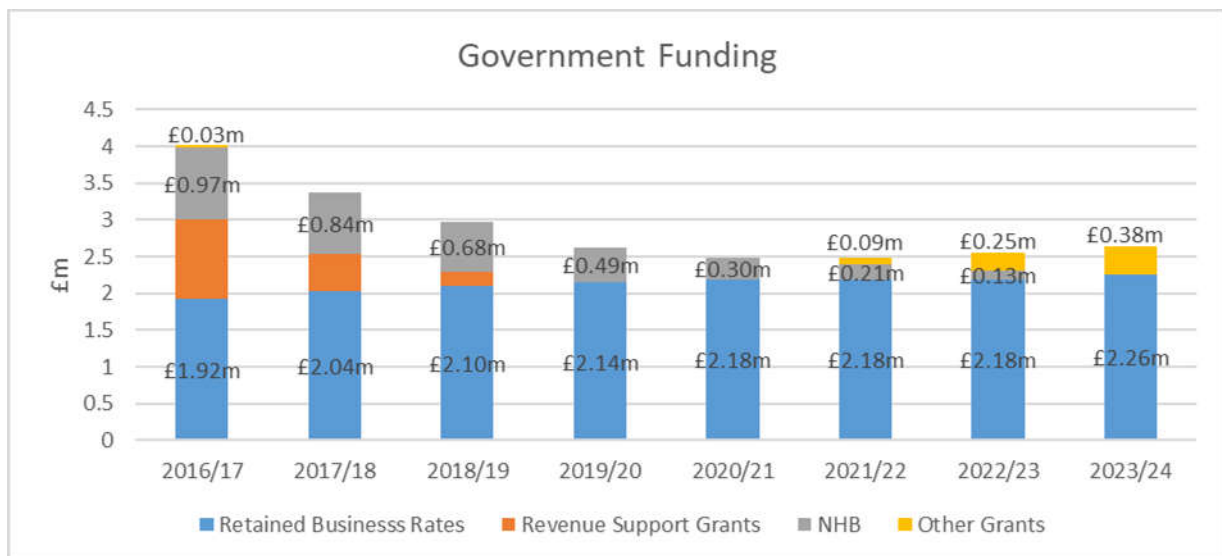
3. Background

- 3.1 The budget process is a key element of the council's strategic planning process. It is part of the service and financial planning approach adopted by the council, is a means of ensuring that resources are best placed to enable the council to deliver its corporate priorities expressed in the Corporate Plan.
- 3.2 Previous budget reports have set out the level of uncertainty associated with any forward projections with Government funding. This uncertainty remains given the one-year funding settlement for 2023/24. However Government has stated that the core settlement will continue in a similar manner for 2024/25, with the referendum principles and major grants, with the exception of New Homes Bonus, remaining at the levels set out in 2023/24. The Government will set out the future position of the New Homes Bonus ahead of the 2024/25 settlement. Business Rate pooling will also continue in to 2024/25. The Council can also expect to receive new income, subject to the Extended Producer Responsibility for Packaging (pEPR) coming into force during 2024/25, as currently planned. The Government has confirmed that the Review of Relative Needs and Resources (also known as the Fair

Funding Review) and the business rates reset will not be implemented in the current Parliament, although state that they remain committed to improving the local government finance landscape in the next Parliament.

3.3 For a number of years the council has continued to reduce its net revenue expenditure in line with its own efficiency agenda, and the Government’s changes to local government financing over both recent years and the changes proposed for the future. This has resulted in all borough councils now being heavily reliant on the income they generate from their own locality, be it from residents, visitors, property, and/or businesses. The graph below demonstrates how Government funding for Rossendale has reduced over the period 2016/17 to 2023/24, with the traditional Revenue Support Grant ceasing in 2018/19.

Table 1



4. 2023/24 Provisional Finance Settlement

4.1 The provisional Settlement Funding Assessment for 2023/24 was announced on 19th December 2022. The key messages arising from the settlement are:

- a. Up to 2.99% maximum annual increase for Council Tax without triggering a local referendum. It needs to be noted that the Governments ‘Core Spending Power’ calculations assume all council’s increase their Council Tax by the maximum allowed.
- b. The NNDR baseline funding has been increased for 2023/24.
- c. New Homes Bonus payments will be made in 2023/24 for one year only.
- d. The ‘Lower Tier Services Grant’ will be repurposed into a new one-off funding guarantee (included in ‘other grants’ in table 1 above), which ensures all councils will see at least a 3% increase in their ‘Core Spending Power’ before any decision is made about organisational efficiencies, use of reserves, and council tax.
- e. Extension of the ‘Services Grant’ in to 2023/24, albeit reduced to pay for other parts of the settlement.
- f. The Family Annexe Council Tax Discount grant and Local Council Tax Support Administration Subsidy (LCTS) grant will be ‘rolled in’ to the Revenue Support Grant (RSG). This is not new funding.
- g. The Lancashire Business Rates Pool is likely to continue in 2023/24.

4.2 The Government announcement indicates that Local Government Core Spending Power will rise by an average 9.2 per cent in 2023/24 However as a shire district, Rossendale will see

an increase in Core Spending Power of 3% before any changes in council tax levels are taken into account. Whilst this additional funding is welcomed, following years of austerity and with inflation running at 10.7% (November 2022), this still leaves this council with a significant funding gap.

5. The Medium Term Financial Strategy

5.1 Taking into account the impact of the finance settlement, including an annual increase in Council Tax of 2.99% per annum, the 2023/24 net budget estimates, resources and future forecasts are as follows:

Table 2

	2022-23	2023-24	2024-25	2025-26	2026-27
	£000	£000	£000	£000	£000
Original Budget	8,991	10,395	10,641	10,752	11,004
Additional in year pressures	1,515				
Budget Proposals		(139)	(91)	20	
Revised Budget Estimates	10,506	10,256	10,550	10,772	11,004
Estimated Funding:					
Council Tax (+2.99%)	5,985	6,238	6,425	6,617	6,749
Council Tax - growth in base 0.75%			47	95	145
Collection Fund Surplus - Council Tax		40			
Retained Business Rates	2,180	2,261	2,261	2,261	2,261
Revenue Support Grant*		85	85	85	85
Funding Guarantee**	98	290	290	-	-
Services Grant	150	85	85	-	-
New Homes Bonus	132	1	-	-	-
NNDR Retained / Pooling	500	500	500	200	200
Resources	9,045	9,500	9,693	9,258	9,440
Surplus / (further savings required)	(1,461)	(756)	(857)	(1,514)	(1,564)

*Rolled in Local Council Tax Support Admin and Family Annex Grants

**Re-purposed Lower Tier Services Grant

5.2 Changes in the base budget costs between 2022/23 and 2023/24 are as follows:

Table 3

Forecast Changes	£000
2022/23 Base Budget	8,991
Employment Costs (Pay Award & Increments)	679
Inflation (Utilities)	274
Vehicle Fuel	130
NET Revenues & Benefits Contract Inflation	104
IT Software Inflation	67
Insurance Inflation	40
Audit Fees Increase	118
Bank Charges	35
Employer Pension Contribution Reduction	(156)
Interest Payable	115
Interest Receivable	(109)
Local Council Tax Support Grant	94
Reduction in Housing Benefit Admin Grant	12
Previous Years Budget Proposals	(67)
Various small technical adjustments	68
2023/24 Original Budget	10,395

The current economic situation is having a significant adverse impact on the council's overall financial position. Major issues are:-

- a. Pay inflation for 2022/23 was an average 6.63% 2022/23, this was against a budget of 2.5%. In addition, these pressures are compounded by the national recruitment challenges facing the local government sector. Like many authorities, a reducing pool of suitable candidates at all levels is being experienced. The balance between pay restraint, inflation, and maintaining vital services to our residents will continue to present a significant challenge.
- b. Goods and services are becoming more expensive to buy. General inflationary increases are being experienced across all contracts that are linked directly to RPI and CPI. The largest of which is the Revenues and Benefits contract with Capita, which is linked to CPI.
- c. Vehicle fuel and utility costs have increased significantly throughout 2022/23.
- d. Following the Public Sector Audit Appointments (PSAA) procurement exercise to appoint the Council's external auditor for the period 2023/24 to 2027/28. The PSAA advice is to estimate an increase of 150% on the total 2022/23 fees charged for 2023/24.
- e. Additional costs arising from the empty homes scheme and the ongoing legal claim.
- f. Rising inflation and interest rates is impacting on the capital programme. On average vehicle replacement costs are running c20% over and above the estimates included in the capital programme. Rising inflation is also having an impact on the construction industry - pushing up costs, increasing tender prices. In addition, as interest rates rise, so does the cost of borrowing which presents a longer-term risk.

5.3 The budget proposals for 2023/24 onwards are set out below:-

Table 4

Budget Proposals	2023-24	2024-25	2025-26	2026-27
	£000	£000	£000	£000
Income/Efficiencies				
Fees and charges: annual increase in line with inflation	(8)	(8)	(8)	(8)
Trade Waste net increased income	(21)	(21)	(21)	(21)
Garden Waste £4 increase	(25)	(25)	(25)	(25)
Increased Taxi Licence Fees (Subject to Taxi Licencing Committee Approval)	(2)	(2)	(2)	(2)
Promoting Rossendale Budget	(20)	(20)	(20)	(20)
Review of partner grant funding	(12)	(28)	(28)	(28)
Corporate Contingency	(10)	(10)	(10)	(10)
Increased Grant Income	(20)	(20)		
Management Savings Target	(65)	(130)	(130)	(130)
Growth				
Citizen Access - Customer Portal for Revs & Bens	34	34	34	34
Kings Coronation Community Grants	10			
Total	(139)	(230)	(210)	(210)
Future Annual budget movement		(91)	20	0

6. Impact on reserves

6.1 As shown in Table 2, after the implementation of the Cabinet proposals there is a funding gap of £756k in 2023/24. This is to be funded by the Transitional reserve as set out in the table below. The table also shows the potential impact on the Transitional reserve, the

General reserve and the un-ringfenced Directorate reserves if no further savings/increased income are generated:

Table 5

Use of Reserves if no further income/savings generated		2022/23	2023/24	2024/25	2025/26	2026/27
£000		£000	£000	£000	£000	£000
Funding gap	Adj	(1,461)	(756)	(857)	(1,514)	(1,564)
Use of Reserves	Opening Balance					
Transitional Reserve usage	2,559	(1,461)	(756)	(342)		
General Fund Reserve	1,000	0	0	(515)	(485)	
Directorate reserves	820	0	0	0	(820)	
Reserve Balance	4,379	2,918	2,162	1,305	0	0
Remaining shortfall					(209)	(1,564)

The table demonstrates an annual deficit from 2022/23 onwards. In 2022/23 and 2023/24 this can be funded through the use of the Transitional reserve and beyond that the General Fund reserve and Directorate reserves, however as shown if nothing else changes these will run out in 2025/26.

6.2 It must be noted the General Fund reserve of £1.0m is in reality the Council's Minimum Working Balance, this is a requirement of Sections 32 and 43 of the Local Government Finance Act 1992 which requires local authorities to consider the establishment and maintenance of reserves. These can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but legally remain part of the General Fund

In support of this requirement, and as part of the development of the budget for 2023/24, an assessment has been carried out to establish the minimum level of the General Fund Working Balance for this Council. Based on this assessment it is recommended that the minimum working balance should remain at £1.0m. At this level it represents circa 3% of the council's gross revenue expenditure.

6.3 In addition to the above reserves the council also holds a Local Business Rate Retention reserve. The Business Rate Collection Fund annual surpluses and deficits are set aside in this earmarked reserve to smooth peaks and troughs in business rate receipts over the life of the forecast. At 31/03/2022 the balance of this reserve was £5.031m, with an estimated £2.816m being used in 2023/24. This balance still includes some of the additional S31 grant receipts during 2020/21, in respect of the extension of the Retail, Hospitality, Leisure and Nursery reliefs which were due to be released equally over the three years, commencing 2021/22, to fund Collection Fund deficits. 2023/24 being the final year. This is in accordance with amended legislation to fund the 'exceptional balance' incurred as a result of the Covid pandemic on the Collection Fund ('re-phasing the deficit'). Further information on reserves can be found in Appendix 2.

7. Council Tax for 2023/24

7.1 Cabinet will make its final recommendation for Full Council to approve on 28th February 2023. Other precepting authorities will announce their Council Tax changes as follows:

- Lancashire County Council – 9th February 2023
- Lancashire Fire & Rescue – 20th February 2023
- Lancashire Police & Crime Commissioner – Early February 2023
- Whitworth Town Council – 26th January 2023

7.2 The proposed Band D Council Tax for 2023/24 and the previous change across Rossendale is as follows:

Table 6

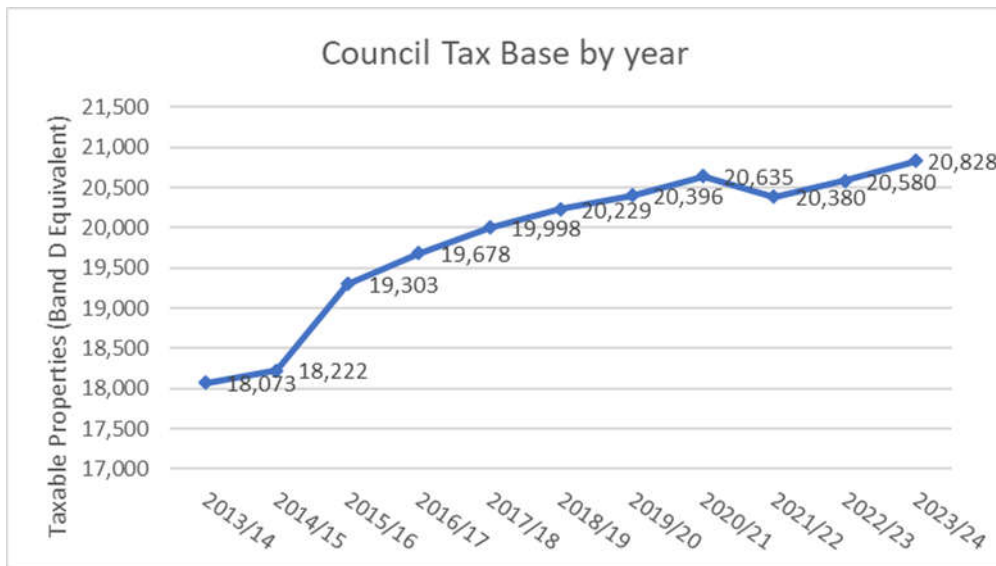
Precepting Body	% Increase	2022/23	2023/24	Increase £	% Share	2022/23	2023/24	Increase £
		Band D £	Band D £			Band A £	Band A £	
Rossendale BC	2.99%	290.80	299.49	8.69	13.6%	193.87	199.66	5.80
Lancashire County Council	1.99%	1,334.53	1,364.66	30.13	61.8%	889.69	909.77	20.09
LCC Adult Social Care	2.00%	179.76	210.05	30.29	9.5%	119.84	140.03	20.19
Combined Fire Authority *	6.47%	77.27	82.27	5.00	3.7%	51.51	54.85	3.33
Police & Crime Commissioner	6.34%	236.45	251.45	15.00	11.4%	157.63	167.63	10.00
Total (Excl' Whitworth)	4.21%	2,118.81	2,207.92	89.11	100.0%	1,412.54	1,471.95	59.41
Whitworth Parish Council	1.00%	26.87	27.14					
Total Whitworth Parish	4.17%	2,145.68	2,235.06					

* At the time of publication the 2023/24 rates have not yet been approved.

8. Council Tax Base

8.1 For 2023/24 the Council Band D Tax base has increased by 248 properties – 1.21% to 20,828 Band D equivalents. As can be seen in table 7 below, 2021/22 saw a reduction in the Council Tax Base due to the increase in Local Council Tax Support claimants, resulting from the Covid pandemic. Across Rossendale as a whole, the level of Council Tax Support granted has now returned to pre Covid pandemic levels and that combined with the increase in new properties across the Borough has resulted in the increase.

Table 7



Any variation through actual billing will be reflected in the Collection Fund. Future estimated increases in the Council Tax have been assumed at 0.75% c154 Band D equivalents. The Local Plan target is now 185 pa (albeit there is no Band D equivalent published).

9. The draft **budget book** for 2022/23 (based on the above) is included at Appendix 3. The key assumptions are:

1. Budget estimates:

- a. Annual pay award 5% 2023/24 for all staff (as advised by National Employers), 2% pa 2025/24 onwards for all staff – (1% for all staff equates to c.£60k, inclusive of on costs).
- b. An annual staff vacancy saving of £200k pa
- c. General price inflation – a freeze on all general revenue expenditure with the exception of pay, utility budgets and contractual increases
- d. Employers Pension Contribution – the results of the triennial pension review for the period 2023/24 to 2025/26 have reduced the pension contribution to 14.6%. (17.6% 2022/23),
- e. Employer National Insurance Contributions –The increase of 1.25% to the Employers standard rate announced by Government for 2022/23 was reversed from November 2022, therefore the rate is reducing back to 13.8%. The average rate for the Council is 8.2% in 2022/23 and 7.7% in 2023/24
- f. Assumes a £500k pa pooling gain, based on current 2022/23 forecasts.

2. Council tax to increase by 2.99% (previously 1.99% in February 2022) with growth in the tax base of 0.75% pa included from 2024/25 onwards.

3. The Government's provisional settlement (December 2022) confirmed the NNDR baseline funding plus other one-off grants.

4. NNDR:

- a. The benefits of the 2022/23 pooling arrangement are currently forecast to contribute c£500k to reserves. Pooling gains reduced significantly during the pandemic due to the additional reliefs Government granted and the impact they had on the NNDR Collection Fund, if Government announce further reliefs to assist with the current economic crisis this could negatively affect the level of pooling gain.
- b. The Government has announced that business rate pools will continue into 2024/25. However beyond 2024/25 the outlook is very uncertain. The MTFs does assume a continued retained pooling gain of £200k pa, less than previous assumptions of £1m. Given the Government's previous consultation on business rates retention, this assumption continues to have some risk as the 2025/26 and future position could be that all or some greater proportion of growth will be taken away from council.

5. New Home Bonus legacy payments ceased being earned in 2018 and end in 2022/23.

10. Fees and charges

10.1 The annual budget requires that any changes to the council's fees and charges be approved by members. Unless there is commercial justification not to increase fees or an alternative statutory regulation, the proposal is to increase all fees and charges by a minimum of 10% having taken into consideration the consumer price index (CPI) impact on the service. The November 2022 CPI published annual inflation at 10.7%. A full list of fees (including previous year comparisons) are included at Appendix 1.

11. Bridging the council's future funding gap

11.1 The council continues to face a funding gap for the future. Therefore the council should continue to give consideration to:

- The future levels of Council Tax
- Maximising the returns from business rates revenue
- The council's ability to support non-statutory activities and partner/community organisations

- The future quality and standard of statutory service provision
- Any future efficiencies within services and ensuring support services are appropriate
- The council's ability to exploit new revenue generating opportunities
- Treasury management initiatives and maximising the strength of the council's balance sheet resources
- Ensuring any contract renewals are to the best advantage of the council

12. Section 25 report

As part of the final recommendations to Full Council Section 25 of the Local Government Act (2003) places a requirement on the Chief Financial Officer of each local authority to advise councillors during the budget process on “the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves”, which includes a financial resilience statement. This provision is designed to ensure that members have information which will support responsible financial management over the longer term. The full section 25 report can be found at Appendix 2.

13. RISK

In managing the council's budget the council is seeking to manage the following larger scale risks.

- 13.1 **Council Tax:** In setting the 2023/24 budget members should continue to plan and give due regard to the continued financial challenges over the medium term. In particular, members should be aware of the future implications for the council's financial resources of any council tax freeze or any increase below the Governments' referendum trigger of the higher of £5.00 or 3%.
- 13.2 **Reserves:** The level of reserves is still an estimate until the external auditors sign off the proposed amendments to the previous years accounts and the 2021/22 year end process is finalised. Members should note that the 2023/24 budget proposals include the use of £756k from the Transitional reserve. The un-ringfenced reserves are the Transitional, General Fund and some Directorate reserves. An ongoing reliance on reserves to manage the medium term budget is unsustainable and this will require the council to seek future savings and income generation which members will need to support.
- 13.3 **Resources:** The Council faces significant financial pressures, with table 1 showing the continued real time reduction in Government funding. The financial settlement gives some indication as to the level of funding the Council can expect in 2024/25 and has also confirmed that the Review of Relative Needs and Resources (also known as the Fair Funding Review) and the business rates reset will not be implemented in the current Parliament.
- 13.4 **Funding gap:** The medium term financial forecast indicates the underlying deficit is increasing to c£1.5m by 2025/26 (subject to the assumptions noted above and before future savings initiatives). Members must continue to give due consideration as to how they are to bridge this annual deficit going forward, in order to produce legally balanced budgets for the future.
- 13.5 **NNDR arrangements for 2022/23:** The Government has announced that the Business Rates reset will not be implemented in the current Parliament. Therefore arrangements for 2023/24 are the same as 2022/23. The council remains a member of the Lancashire Business Rates Pool which means the council retains 40% of all business rates growth and avoids the direct payment of a 50% levy on any end of year surplus. This is beneficial for

the council's budget position and the council should continue to lobby for the retention of this model, however over recent years the impact of Covid and the economic crisis have significantly reduced the benefits achieved from the pool.

- 13.6 **Pay:** The 2022/23 pay award equated to an average 6.63% increase for this Council. National Employers have indicated the award is likely to be similar for 2023/24, therefore the budget assumes a 5% pay award in 2023/24 and 2% each year thereafter. The budget also assumes, as in previous years a saving as a result of natural staff turnover and the vacancy saving this creates, this is set at £200k pa. Whilst this is a challenging target, it is achievable and will be closely monitored.
- 13.7 **Capital:** Members need to be aware of the impact the increased number of capital schemes and expenditure will have on the MTFs in future years. Capital expenditure has to be paid for through the revenue budget spread across the life of the asset, this is called the Minimum Revenue Provision (MRP). The MRP charged to the revenue budget in 2023/24 based on the estimated capital expenditure is c£599k, however based on current schemes this rises to c£820k by 2026/27. This places additional pressure on the MTFs.
- 13.8 **Empty Homes Scheme:** The project continues to have a significant adverse impact on the council's financial position with the potential for legal claims ongoing. The project team continue to closely monitor the scheme, manage the project risks and challenge any potential claims where possible thereby reducing the scale of the liability, but the scale of this is very limited given the overall scale of both current works and the nature of the property leases. The scheme is due to end in December 2024.
- 13.9 **Rossendale Leisure Trust:** The key risk to the financial sustainability of the Trust is no longer Covid 19, but the cost of living crisis. Whilst the Leisure Trust is now trading normally the membership and income levels have not yet fully recovered to pre-pandemic levels. In addition the increase in the minimum wage, the increasing energy costs and the current economic climate are impacting adversely on the Trust. The Trust is estimating an income shortfall of c£650k in 2022/23. The Trust and the Council are trying to mitigate the risks as much as possible, however many of the factors are beyond the Trusts' and the council's control. The announcement in the Autumn Statement of a further 9.7% increase in the living wage from April 2023 will place further pressure on the Trust. The Trust and the council need to continue to work together to control the losses wherever possible. This is a significant risk for the council in that it provides the day-to-day cashflow for the Trust, and also in respect of the ongoing delivery of leisure services across the borough. It is critical that the Trust remains financially sustainable and financially independent of the council.
- 13.10 **Corporate Risk register:** The register includes risks around the MTFs, the County Council Budget, Sustainable Workforce and the Leisure Trust. The MTFs is currently a "red" risk, in light of this current MTFs update it is recommended that the current risk rating is retained.

14. FINANCE

14.1 The key financial matters are dealt with throughout this report. The decision to increase Council Tax is a Member decision. In making their decision Members should give consideration of the deficit facing the council over the medium term. Given the council's future deficit an increase of 2.99% in Council Tax is strongly recommended by the s.151 officer. Any change to Council Tax below the maximum allowed, has an ongoing and cumulative negative impact on future year resources.

14.2 The council continues to face a funding gap challenge despite the savings and income

generation work already completed this year and in previous years. The council has a statutory duty to produce annually a balanced budget and it is legally bound to find a solution to the future funding gap. There are also some higher risk assumptions in the forecast. Ultimately the use of reserves to balance the funding gap, although legal, is both finite and financially not a sustainable approach to managing the budget in the long-term.

14.3 Given the 2023/24 cost base and the financial gap over the longer term the council needs to continue to develop plans to reduce its net cost base in order to avoid reliance on limited reserves and to deal with the future resource deficit. The key messages for the medium term continue to be:

- Council must continue to increase Council Tax in line with the Government's maximum thresholds.
- Council must give further consideration to either reduce costs or increase revenue.
- The uncertainty of future funding levels given the Review of Relative Needs and Resources (also known as the Fair Funding Review) and the business rates reset will not be implemented in the current Parliament.

14.4 The MTFs includes the impact of the UK Shared Prosperity Fund investment Plan.

15. LEGAL

15.1 The council must calculate and approve its Council Tax Requirement annually for the forthcoming financial year in accordance with s32 and s43 of the Local Government Finance Act 1992 (LGFA 1992). Section 25 of the Local Government Act (2003) also requires the officer having responsibility for the administration of the council's financial affairs, to report to the council on the robustness of the budget estimates and adequacy of financial reserves when determining its budget requirement under the Local Government Finance Act 1992. This report discharges this responsibility.

16. POLICY AND EQUALITIES IMPLICATIONS

16.1 The Equality Act (2010) requires the council to have due regard in the exercising of its functions to eliminate discrimination, advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not share it. Equality impact assessments will be carried out where necessary on any savings proposal. The duty to inform, consult or involve requires that the council must involve communities and those directly affected at the most appropriate and proportionate level in 'routine functions, in addition to one-off decisions.' Consultation took place with:

- Cabinet and Management Team – October and December 2022 and January 2023
- Members - January 2023
- Public (via the council's website) – January 2023
- Overview & Scrutiny - 1 February 2023

17. CONCLUSIONS

17.1 The financial position for the council, like all local authorities, is challenging and subject to a high-level of risk regarding the current economic position. The council is proposing to set a revenue budget for 2023/24 of £10.256m.

17.2 There are a number of significant risks outside the council's control which remain a major concern including the current economic crisis and the uncertainty of future Government funding levels. Members will be kept updated on latest financial projections, local Government Finance announcements and risks as they transpire.

17.3 The Council carefully considers and monitors the MTFs and the risks as set out in this

report and in the Corporate Risk Register. The Council has a risk management strategy in place to identify and evaluate risks. Risks are identified, potential impacts are highlighted and controls and mitigations are set in place. The Council monitors and reports to Cabinet Members and Audit and Accounts Committee during the year.

- 17.4 The Council currently holds a number of earmarked reserves, these are funds set aside for funding future liabilities, however they are being used to fund the shortfall between how much the Council spends and how much funding the Council receives. Based on the estimates detailed in section 4 above, if no further savings/efficiencies or additional income is generated these reserves will be exhausted over the life of the current forecast.
- 17.5 As stated in 13.9 above the nature of the relationship with the Leisure Trust, in that the Council provides their day to day cashflow poses a significant risk for the Council. The Council has commissioned an independent assessment of the financial and legal risk which will make recommendations as to how this risk can be mitigated.
- 17.6 The council must remain focused on identifying and delivering further savings and income in order to ensure annual balanced budgets over the immediate and medium term. It must also ensure that all its budget resource allocations are directed to the core functions of the council and that the use of its resources drives the delivery of the council's Corporate Plan priorities.

Background Papers	
Document	Place of Inspection
Draft 2023/24 Budget & MTFS Papers Draft Capital Programme & Strategy	Presented to Overview & Scrutiny Committee 6 th February 2023
Previous updates to the MTFS	Rossendale Borough Council website
Government's Financial Settlement	DCLG website