

**PART 1 – UPDATE OF 2024/25 BUDGET POSITION**

A detailed in the report the provisional 2024/25 Local Government Finance Settlement was issued on 18 December 2023.

On 24 January 2024 the Government announced additional national resources of £600m consisting of:

- £500m for Social Care;
- £100m to cover the following Government priorities – to increase the Funding Guarantee from 3% to 4%, £15m for the Rural Services Delivery Grant, £3m for authorities with Internal Drainage Boards, and additional funding for the Isle of Wight and the Isles of Scilly, with the remainder distributed through the Services Grant.

The final Local Government Settlement on 5 February 2024 confirmed the above additional funding and the detailed allocation to individual authorities. The impact on the Authority and changes in local resources are summarised below:

**Changes between provisional and final settlement**

	Increase / (decrease) in funding £
<b><u>Funding Guarantee Grant</u></b>  The increase in the Funding Guarantee from 3% to 4% means the Authority is now eligible for this grant and will receive £294,182 (provisional settlement nil allocation). Subject to the next Comprehensive Spending Review this funding should be sustainable beyond 2024/25	294,182
<b><u>Services Grant</u></b>  The final 2024/25 Services Grant is £65,386 (2023/24 £378,764), which is £5,386 more than the provisional 2024/25 allocation	5,386
<b><u>Business Rates and Section 31 grants</u></b>  The Authorities share of Business Rate income and related section 31 grants was calculated following receipt of NNDR 1 returns (National Non-Domestic Rates) on 31 <sup>st</sup> January 2024 as £3,805,484. This is £118,515 less than forecast.	(118,515)
<b>Net increase in resources</b>	<b>181,053</b>

The net increase in resources of £181,053 enables reliance on the use of the Budget Support Fund to be reduced by this amount. This makes the budget position more sustainable as the deficit deferred from 2024/25 to 2025/26 reduces from £190,000 (the provisional use of reserves in 2024/25) to £8,947 (the final use of reserves in 2024/25).

The additional resources are reflected in the statutory budget calculations detailed in Part 3 (which update recommendation 7).

## **PART 2 – ASSET MANAGEMENT PLAN (AMP) UPDATE**

Details of the recommended funding strategy for AMP inflation pressures are set out in section 9 of the report, which showed a forecast funding shortfall of £0.284m.

This figure was based on the Authority's provisional share of Collection Fund surpluses from the four constituent Authority's. The final figures were received this week and the total surplus is £618,058, compared to a forecast of £500,000 – an increase of £118,058.

As this is a one-off benefit it is recommended that these resources are allocated to reduce the forecast AMP inflation funding shortfall from £0.284m to £0.166m. This additional resource can be reflected in recommendation 11 of the report.

The AMP inflation risks will continue to be monitored carefully and regular updates will be reported to Members.

## **PART 3 - 2024/2025 COUNCIL TAX RESOLUTION 3.0% INCREASE**

The Authority is recommended to approve as follows:

1. For the purpose of Section 42 A, B of the Local Government Finance Act 1992, the following amounts in respect of 2024/25:
  - (a) The Council Tax Base for 2024/25 as 162,692.2 as notified by the relevant billing authorities.
2. That the Council Tax requirement for the Authority's own purposes for 2024/25 is £14,554,444.
3. That the following amounts be calculated by the Authority for 2024/25 in accordance with Sections 42 to 48 of the Local Government Finance Act 1992 and relevant regulations:-
  - (a) £33,118,200 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 42 to 48 of the Local Government Finance Act 1992 and relevant regulations.
  - (b) £18,563,756 Being the aggregate of the sums which the Authority estimate will be payable to it in respect of Revenue Support Grant £7,887,936, Top Up Grant of £8,116,484, Business Rates income of £1,934,278 and the estimate to be paid from the Collection Funds of the billing authorities of £625,058 as at 31<sup>st</sup> March 2024, in accordance with Section 99 (3) (b) of the Local Government Finance Act 1988 and the Local Government Charges for England (Collection Fund Surpluses and Deficits) Regulations 1995 amended.

- (c) £14,554,444 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Authority in accordance with Section 42B (1) (2) of the Act as its Council Tax requirement for the year.
- (d) £89.46 Being the amount calculated by the Authority in accordance with Section 44 of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year.

4. That the Authority, in accordance with Section 47 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2024/25 for each of the categories of dwellings:

<b>Property Band</b>	<b>Council Tax (£)</b>
A	59.64
B	69.58
C	79.52
D	89.46
E	109.34
F	129.22
G	149.10
H	178.92

5. The precept payable by each billing authority in accordance with Section 48 of the 1992 Act, as follows:-

<b>Billing Authority</b>	<b>£</b>
Hartlepool	2,306,279
Middlesbrough	3,232,896
Redcar and Cleveland	3,679,669
Stockton	5,335,600

6. Approve that the Authority's basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles approved under section 52ZB Local Government Finance Act 1992 and that no local referendum will be carried out in relation to Chapter 4ZA of the Local Government Finance Act 1992.