

CABINET MEETING: 8 JANUARY 2024

**2024/25 BUDGET MODELLING UPDATE AND CONSULTATION
REQUIREMENTS**

**FINANCE, MODERNISATION AND PERFORMANCE
(COUNCILLOR CHRIS WEAVER)**

AGENDA ITEM: 1

Reason for this Report

1. To provide an update on budget preparation for 2024/25, including the impact of the Provisional Local Government Financial Settlement (Provisional Settlement).
2. To provide details of the consultation that will take place to inform Cabinet's final Budget Proposal for 2024/25.

Background

3. In July 2023, Cabinet received an Update Report on the 2024/25 Budget and the Medium-Term Financial Plan which indicated an estimated 2024/25 budget gap of £36.760 million. The Report highlighted the volatility of the position and noted the absence of agreed pay awards, inflation forecasts and demand pressures as among factors requiring ongoing review. This report provides a further update on the budget gap for 2024/25 and incorporates the impact of the Provisional Settlement, which was received on 20th December 2023, alongside the ongoing updates to the modelled position undertaken over the last six months.
4. Budget consultation commenced earlier in the year as part of the Ask Cardiff Survey. This requested citizens to prioritise areas in which they would like to see resources directed, both in the short and longer term. This report provides an update on Ask Cardiff findings and sets out the arrangements for a more detailed consultation in relation to 2024/25 Budget Proposals.

Issues

5. Cabinet is required, prior to the 11th March each year, to place before the Council proposals, which if approved, would result in the adoption of a balanced budget for the forthcoming financial year. The public consultation

proposed by this report will inform the preparation of Cabinet's final draft budget for consideration by Council in early March 2024.

Timescales

6. Due to the timing of the UK Autumn Statement, which took place in late November, the Provisional Settlement was not received until the 20th December 2023. The Provisional Settlement is a critical factor in drafting the Budget Strategy and can significantly affect the overall position.
7. The timing of the proposed consultation means that the draft budget that underpins it, fully reflects the Provisional Settlement, so that the position being consulted upon is as accurate as possible. Subject to Cabinet approval, consultation on the 2024/25 Budget will commence on 8th January 2024 and run until 4th February 2024.

Provisional Local Government Settlement

8. On the 20th December 2023, the Minister for Finance and Local Government announced the Provisional Settlement for 2024/25. The Minister's statement and key data table is attached at **Appendix 1**.
9. The headlines of the Settlement are:
 - On average, Welsh Local Authorities will receive a 3.1% increase in general revenue funding next financial year.
 - Individual Authority Settlements range from +2.0% to +4.7%.
 - Floor protection is in place, with additional funding of £1.3 million provided to ensure that no Local Authority received a settlement increase of less than 2%.
10. Cardiff will receive a 4.1% increase in Aggregate External Finance (AEF) in 2024/25. In cash terms this equates to £25.353 million after taking into account taxbase adjustments. The above average settlement for Cardiff is linked to data underpinning the settlement, notably distributional increases linked to population and pupil number data. These are partially offset by decreases in Cardiff's distribution for free school meals, tourism, and transport. Whilst the increase is above average for Cardiff, the pressures faced currently are unprecedented and the increase covers less than half the total gross pressures faced (referenced later in this report).
11. There is currently no indicative date for receipt of the Final Settlement, although it is anticipated that this would be no sooner than the publication date of the Welsh Government (WG) final budget which is due on 27th February 2024. This will mean a limited amount of time between the announcement of Final Settlement and the Council's budget-setting meeting (provisionally 7th March 2024). Whilst this has also been the case in recent years, timing may prove more problematic than usual for

2024/25, due to uncertainties regarding specific grants and other funding as outlined below.

12. Several specific grants are expected to transfer into the Revenue Support Grant in 2024/25. This is linked to WG's recent review in this area aimed at reducing administrative burdens on Local Authorities and offering greater funding flexibility. No specific grant transfers have been made at Provisional Settlement. It is understood that this may be to give greater visibility of changes to the level of grant streams before transfers take place. It is assumed that all transfers will now be announced as part of Final Settlement. As there is currently little visibility on the streams that will transfer, this timing is challenging and effectively curtails any funding flexibility for 2024/25.
13. The Provisional Settlement provides some details on specific revenue grants. However, information is at an All-Wales level and incomplete at this stage, with grants totalling more than £25 million yet to be confirmed, including the Sustainable Waste Management Grant (£16 million). Available information indicates significant reductions that will be difficult to manage in several key areas.
14. At an All-Wales level, specific grants (excluding those that are yet to be confirmed) will **decrease by £92.619 million** next financial year. Contributory factors include:

Grants totalling £51.677 million indicated to cease after the current year, including:

- **Teachers Pay (£21.267 million)** – Local Authorities were made aware that WG would not be continuing with this funding in recent months, and the associated pressure is reflected in Cardiff's budget gap for 2024/25.
- **FSM Holiday Provision (£8.958 million)** – this reflects cessation of the scheme that commenced during the Covid-19 pandemic.
- **Childcare Offer (£20 million)** – no longer being administered by Local Authorities.

Significant reductions to grants include:

- **Retail, Leisure and Hospitality Rates Relief Grant (£50.780 million)**, reflecting the decision to reduce the level of relief from 75% to 40% - whilst classed as a Local Government grant stream, this should not have an impact on Council funding. It would be offset by increased NDR from the affected businesses, payable to the All Wales Pool.
- **Social Service Workforce Grant (£10 million / 22%)** from £45 million to £35 million – this will have a significant impact for Cardiff as this is a key funding stream for Social Services. Extrapolating the All-Wales percentage decrease to Cardiff's current allocation suggests an estimated reduction of £1.1 million. This grant reduction will be in addition to the expected tapering of the

Regional Integration Fund, which is another key funding stream for Social Services and therefore a further significant challenge for this area to manage in 2024/25.

- **Homelessness – No One Left Approach (£5 million / 33.33%)** from £15.0 million to £10.0 million. This implies that additional sums allocated for 2023/24 will not be continued next financial year. The £0.850 million estimated impact for Cardiff will be extremely difficult to manage given material demand increases in this area over the past year, in particular.
- **Homelessness – Discretionary Homelessness Prevention (£6.5 million / 52%).** Sums at an All-Wales level, and additional in-year allocations funding 2023/24, make it difficult to discern the impact on this stream, but it is currently envisaged that Cardiff will receive £0.930 million less cash support in this area in 2024/25 compared with the current financial year.
- **Communities for Work+ (£10.454 million / 38%)** – from £27.268 million to £16.834 million. This grant was previously part of Children and Communities Grant before becoming a standalone grant in 2023/24, at which point Cardiff's allocation increased from £1.031 million to £3.129 million. Whilst a level of reduction was anticipated for 2024/25, this was expected to be in the region of 11% (£0.330 million), rather than the potential 38% implied by indicative grant listings.

Increases to Grants

- There are no materially significant *increases* to grants for 2024/25
15. As set out above, the picture in relation to specific grants is challenging, uncertain, complex, and compounded by timing. Additional clarity will be sought in coming weeks, to clarify the Cardiff-specific impact of All Wales reductions and whether affected streams will transfer into the Revenue Support Grant. There will also be a need to determine the scope for affected directorates to manage reductions, and the need for any transitional support as part of the Council's budget-setting for 2024/25 including any costs arising from a reduction in grant funded posts.
 16. General Capital Funding (GCF) at an All-Wales level will be £180m for 2024/25, of which Cardiff's allocation is £18.134m, or just over 10%. GCF can be spent on capital expenditure of a Local Authority's own choosing and is not specific to a project or scheme. The allocation is made up of two elements - £9.188m of Cash Grant and £8.946m of Supported Borrowing approval. The capital financing costs of the latter being re-imbursed as part of future years Revenue Support Grant.
 17. There is no indication of Cardiff's GCF for 2025/26 or beyond. However, the current expectation is that it will fall to circa £15 million, as advised in previous indicative settlements - i.e. the current levels of GCF are assumed to be temporary.
 18. There remains reference to a £20m Local Government De-Carbonisation allocation for 2023/24 and 2024/25. However, details of the allocation and approach for both years remains unclear. A list of specific capital

grants for 2024/25 is identified on an all-Wales basis but as many of these will be on a bid basis, Cardiff allocations are not yet known.

Other Areas of Funding Uncertainty – Teachers’ Pensions

19. The other key area of funding uncertainty for 2024/25 relates to Teachers Pensions. The impact of the latest actuarial review of the Teacher’s Pension Scheme (TPS) will take effect from 1st April 2024, with Employer’s contributions due to increase by 5 percentage points of pensionable pay. This is a 21.1% increase to the level of pension contributions currently paid with a new contribution rate of 28.68% of pensionable pay from 1st April 2024.
20. The estimated impact for Cardiff in respect of Teachers Pensions Costs is approximately £7 million. This is **not** currently reflected in the Council’s budget gap because indications are that UK Government will fund the increase to TPS; it is therefore assumed that there will be consequential funding for Wales. However, the timing of this funding confirmation is currently unknown and the WG minister in her letter indicated she would continue to press UK Treasury for assurances in this matter. Recent announcements on the timing of the Spring Budget could suggest that this may not be confirmed until the date of that announcement i.e. 7th March 2024. Increases to unfunded pension schemes will also affect the level of the Council’s contribution to the South Wales Fire Service – with an estimated impact of £0.3 million purely in relation to this issue. It is assumed that this too, will be funded.

Comparison of Provisional Settlement to Planning Assumptions

21. As part of the 2023/24 Local Government Settlement, an indicative All Wales funding allocation of +3.1% was issued in respect of 2024/25. To date, this indicative allocation has been the basis of the Council’s planning assumptions for 2024/25 funding. As noted at each budget update, there is always a risk that indicative allocations may change.
22. The difference between the indicative allocation of 3.1% and the Provisional Settlement of 4.1% equates to just under £7 million in cash terms, including tax base changes in the formula. The impact of this on budget modelling, along with other updates is set out in paragraphs 25-30. It should be emphasised however, that whilst Cardiff’s non-hypothecated funding stream is higher than anticipated, as outlined above, this is accompanied by material reductions in hypothecated grant streams which support services to vulnerable people. The impact of managing these in the short term, may erode the benefit of the higher-than-average Revenue Support Grant increase.

Council Tax Base

23. On 14th December 2023, Cabinet approved the tax base for 2024/25. Future tax base increases are not reflected in financial planning assumptions until the Provisional Settlement is received. This is because there is the potential for it to have a negative distributional impact through

the Aggregate External Finance (AEF) funding formula. This is not possible to pre-empt as changes are relative to updated tax-base levels of all other Authorities in Wales. For 2024/25, for Cardiff, this was a £1.100m favourable impact which is reflected in the AEF figures outlined above.

24. Setting aside the impact on AEF, which has now been captured, the net increase in Council Tax linked to the new 2024/25 tax base is £1.235 million. This is the additional amount that will be generated before any increase in the rate of council tax. The increase is attributable to changes in the number of chargeable properties, discounts and exemptions. It also reflects the estimated impact of changes applicable in Council Tax Premia from 1st April 2024 in relation to long term empty properties and Second Homes.

Budget Modelling Update

25. The Council’s Medium Term Financial Plan undergoes regular review to ensure it reflects the most up to date and robust information. Updates since the last budget update report in July include the impact of:
- The Provisional Settlement, announced on 20th December 2023.
 - The Council Tax Base for 2024/25 approved by Cabinet on 14th December 2023.
 - Announcements and updates associated with the Autumn Statement, including updated inflation forecasts.
 - The Real Living Wage announcement in October 2023.
 - Review of pay award assumptions in light of most recent inflation forecasts and agreement of the 2023/24 NJC pay award.
 - Most recent pricing information.
 - The need to address base pressures, evident through in year monitoring in some areas.
26. Taking account of the above updates, the current resource requirements modelled for 2024/25 are set out in the table below. They show an estimated cost increase of £56.078 million for 2024/25.

Resources Required	£000	Includes
Base Budget B/F	803,894	
Employee Costs	22,000	<ul style="list-style-type: none"> • Shortfall in funding for previous pay awards including due to grant fall out • Assumed pay award for 2024/25
Price Inflation	11,587	<ul style="list-style-type: none"> • Commissioned Care Costs (inc RLW impact) • Home to School Transport • Levy increase to South Wales Fire Service
Commitments & Realignments	15,278	<ul style="list-style-type: none"> • Risk based realignments linked to Month 6 • Capital Financing
Demographic Pressures	7,213	• Includes Social Services, ALN routes, Pupil numbers
Resources Required	859,972	

27. At Provisional Settlement, resources available are set out below:

	£000	Reflects
Aggregate External Finance	618,958	• Per Provisional Settlement
Council Tax	210,024	• 2024/25 tax base at 2023/24 prices
Earmarked Reserves	500	• This reflects the baseline assumption per the MTFP
Resources Available	829,482	

28. The difference between resources available and resources required is £30.490 million. This is the updated budget gap for 2024/25 which must be addressed in finalising the draft budget for 2024/25. Current modelling is predicated on the following:

	£000	Reflects
Budget Gap	30,490	
Council Tax increase	(5,209)	• Modelled at 3% - subject to further review
Efficiency Proposals & Corporate Savings	(10,354)	• No impact on service delivery
Shortfall still to be addressed	14,927	

29. The shortfall still to be addressed will need to be bridged through a combination of factors. Subject to consultation, these will include:

- Service change proposals to be included post budget consultation, if agreed.
- Finalisation of the position on schools' budgets for 2024/25 – outlined further at paragraph 37.
- Further scope to extend efficiency proposals.
- Further consideration of funding sources that are within the Council's control – including Earmarked Reserves and Council Tax.

30. The position outlined above is a draft position. All assumptions will be kept under close review in finalising the budget for 2024/25 and Cabinet will continue to carefully consider all aspects of the Budget Strategy in finalising their draft budget proposal for Council consideration. As part of this, careful regard will be given to the feedback from consultation.

Aspects of Financial Strategy for Ongoing Review

Use of Reserves

31. Over-reliance on reserves as budget funding should be avoided because they are a finite resource. This means that using reserves to fund ongoing cost pressures immediately creates a gap in the finances of the following year. When determining an appropriate contribution from reserves to the Budget Strategy, there is careful balance to strike between financial resilience and protection of front-line services.

32. Draft modelling currently reflects total reserve use of £0.5 million in support of the 2024/25 Budget. This is in line with assumptions previously included in the Council's MTFP, and the sum can be met from Strategic Budget Reserve. Further use of reserves will be considered as part of finalising the Council's Budget for 2024.25 keeping in mind the following factors:
- The need to conserve an appropriate level of financial resilience - both in terms of mitigating impact on future funding gaps (as referenced above), but also in terms of the risk of eroding cash balances that could otherwise help to manage unexpected financial events.
 - The planned use of reserves over the medium term in line with the purpose for which they were set aside.
 - Additional calls on reserves resulting from the challenging financial situation, including the need to fund redundancy costs and support operational change.
 - The need to be mindful of the collective position on reserves and the Council's Balance Sheet, including for example, the number of schools operating with a deficit balance.

Council Tax

33. The Council will have due regard to the level of the increase in council tax in 2024/25 but must balance this against the need to fund key services. The increase currently modelled as part of the MTFP is 3%. The final level of Council Tax will only be decided following the consultation process, as part of the final budget proposal.
34. A 3% increase would generate net additional income of £5.209 million after associated increases in the Council Tax Reduction Scheme (CTRS).
35. The CTRS will continue to be funded on all Wales basis at the same level provided within the Revenue Support Grant in 2014/15 (£244 million nationally). This means that costs associated with Council Tax uplifts and changing caseloads must be funded by the Council. Whilst a 1% council tax increase generates additional income of £2.100 million for the Council, it also costs £0.364 million in additional CTRS requirements, thus reducing net additional income to £1.736 million. In other words, over 17% of any Council Tax increase is required to support costs associated with the CTRS.

Budget Savings

36. The current position reflects efficiency and corporate saving proposals of £10.354 million. Efficiency savings are defined as achieving the same output (or more) for less resource, with no significant impact on the resident / customer. In line with the Council's July 2023 Budget Strategy Report, in order to improve the deliverability of savings and maximise the chances of securing full year savings in 2024/25, efficiency proposals that do not require a policy decision will be implemented in the current

year wherever possible. The draft position reflects corporate savings proposals of £0.575 million (included within the £10.354 million). This includes £0.375 million savings across supplies and services budgets, and a £0.200 million budget reduction linked to the early repayment (from Earmarked Reserve) of outstanding capital repayments in relation to Invest to Save Schemes.

Schools Budgets

37. Investment in schools remains a high priority for the Council. The Council will need to consider carefully the allocation to schools, mindful of the pressures faced and the volatility of individual school budgets through factors such as pupil numbers and increasing numbers of pupils with additional learning needs.

Allocation of Resources

38. It is important to allocate scarce resources in line with the Council's priorities and with regard to their impact on future generations. Any proposals for savings or opportunities for investment will continue to be framed by the priorities and objectives set out in Stronger, Fairer, Greener and the Council's Corporate Plan, which is being updated alongside the budget.

Medium Term Financial Planning Implications

39. Whilst the focus of this report is the annual budget proposals that are subject to consultation for 2024/25, work is ongoing to revisit the assumptions within the MTFP and the detail of this will be reported along with the Council's other financial strategy documents, as part of the final 2024/25 Budget Report.

Consultation and Engagement

40. Budget consultation is an opportunity to understand what is important to our stakeholders. Consultation on the 2024/25 budget commenced with the 'Ask Cardiff' survey which asked citizens to indicate their budgetary priorities both in the short and long term. 'Ask Cardiff' generated 3,187 responses across the city. Findings from the budget questions that focussed on short term priorities are set out below. Long term priorities were consistent with these apart from the reversal of priorities 9 and 10.

1. Schools and Education including Youth Services.
2. Supporting vulnerable children and families.
3. Supporting vulnerable adults and older people.
4. Recycling and Waste Services including collections, disposal and Recycling Centres
5. Housing and homelessness services
6. Highways and Transport
7. Neighbourhood Services such as street cleansing

8. Major projects including infrastructure to support businesses, local economy, city centre and local community centres
 9. Libraries and Community Hubs
 10. Parks and Sport
 11. Delivery of the One Planet Cardiff Strategy
 12. Culture, Venues and Events
41. Building on the findings from Ask Cardiff, consultation in respect of the 2024/25 Budget, subject to Cabinet approval will begin on the 8th January 2024 and run until 4th February 2024. The results of the consultation will be a key consideration for Cabinet in preparing their final 2024/25 Budget Proposal for consideration by Council in March 2024.
42. The Budget consultation details are attached at **Appendix 2**, and the proposals being consulted upon will form part of the approach to addressing the residual budget gap outlined in paragraph 28. Key points to note in relation to this year's consultation are:
- The consultation document will be available for online completion on the Council's website, and hard copies will be available in community venues including Hubs and Libraries.
 - Multi-lingual posters will be placed in community buildings, with a QR code linking to the Budget page of the Council website.
 - A co-ordinated social media and press campaign, and partner involvement will seek to ensure citywide engagement.
 - Links to the consultation will be made available on the Council's corporate social media accounts, with posts targeting localised community groups across the city, and targeted advertising aimed at groups with typically lower response rates.
 - Links to the survey will also be shared with community groups, such as faith groups and community councils, and partners, including members of the Public Service Board to be shared with their contacts.
 - As well as being available in English and Welsh, the survey will be translated into Arabic, Polish and Bengali, the largest minority languages in Cardiff. A version of the survey designed to work with screen readers will be available for people who are visually impaired.
 - The consultation will be promoted to Council staff via the intranet and Staff Information alerts via email and the Working for Cardiff App. It will also be shared with partner organisations for distribution.
 - The improved engagement practices set out in the draft Participation Strategy will be adopted, with a focus on engaging with organisations who work with seldom heard voices.
 - A dedicated team will undertake face-to-face engagement with seldom heard groups to encourage participation with the consultation process, either by completing the survey, or taking part in qualitative face-to-face interviews.

43. Further opportunities for engagement, including with the Schools Budget Forum and Scrutiny Committees will also take place during the coming months. The need to engage effectively with the Council's own staff, both directly and through their trade unions will remain a high priority throughout the budget setting process. Stakeholder engagement opportunities are a valuable way of informing the budget process and Cabinet's final budget proposal.
44. In addition to public consultation where there are ongoing requirements for internal staff and trade union consultation, specifically in relation to ongoing delivery of efficiency savings, these will continue to be included as part of the ongoing employee engagement process.

Employee Engagement

45. Through the Council's Trade Union Partnership forum, trade unions have been consulted in advance, on the budget projections for 2024/25. In addition, they have been consulted on the savings proposals that form part of public consultation, and their likely impact on employees, particularly where posts are at risk of redundancy. Under the law relating to unfair dismissal, all proposals to make redundancies must involve reasonable consultation with the affected employees and their trade unions. In light of the budget gap outlined, it remains likely that there will be redundancies within the Council's workforce during the financial year commencing 1st April 2024.
46. During the period of the consultation, trade unions and employees will have the opportunity to comment on proposals that may affect them. Once the final budget is approved by Council, any employees affected will be supported. At that point, eligible employees will be given the opportunity to take voluntary redundancy or to access the redeployment process, which provides employees with a period of twelve weeks to look for alternative employment.
47. Whilst the exact number of proposed redundancies is not known at this stage, some as indicated above are likely to occur. In light of this, a Section 188 Notice will be formally issued to the trade unions, related to the budget and potential redundancies.
48. Formal consultation with employees and trade unions will take place as part of the budget preparation work and views and comments about ways of avoiding, reducing and mitigating the consequences of the numbers of staff being made redundant e.g. by redeployment, will be considered.

Reason for Recommendations

49. To issue the 2024/25 Budget Consultation and to provide stakeholders with the opportunity, through a range of mechanisms, to provide feedback to Cabinet. In addition, to note that the consultation will commence on the 8th January 2024 and run until the 4th February 2024.

Financial Implications

50. The financial implications are as described in the detail of the Report.

Legal Implications (including Equality Impact Assessment where appropriate)

51. Specific legal obligations relating to the setting of the budget and consultation are set out within the body of this report.
52. The obligation to consult can arise in some cases from express statutory provisions and in other cases from common law. In all cases, the consultation must be undertaken in such a way as to be meaningful and genuine. The general principles applicable to consultation are outlined in [R v London Borough of Brent, ex p Gunning \[1985\] LGR 168](#) and frequently referred to as "the **Gunning principles**": the consultation must be at a time when proposals are still at a formative stage; the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response; those consulted should be aware of the criteria that will be applied when considering proposals and which factors will be considered decisive or of substantial importance at the end of the process; adequate time must be given for consideration and response; the product of consultation must be conscientiously taken into account in finalising any statutory proposals. The carrying out of consultation gives rise to a legitimate expectation that the outcome of the consultation will be considered as part of the decision-making process. The results of the consultation must feed into the process for consideration and finalisation of budget decisions.
53. The Council has public sector duties under the Equality Act 2010 which require it, in exercising its functions, to have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations between persons with and without protected characteristics. For example, protected characteristics include race, sex, gender, age, religion.
54. The Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers ([WG42004 A More Equal Wales The Socio-economic Duty Equality Act 2010 \(gov.wales\)](#)) and must be able to demonstrate how it has discharged its duty.
55. In order to be sure that the Council complies with its public sector equality duties, it is essential that Equality Impact Assessments are undertaken where appropriate in relation to specific budget proposals, that these are informed by the results of the consultation, and that any impact is taken into account in the decision-making on the budget.
56. The Well-being of Future Generations (Wales) Act 2015 requires the Council to consider how the proposals will contribute towards meeting its

well-being objectives (set out in the Corporate Plan). Members must also be satisfied that the proposals comply with the sustainable development principle, which requires that the needs of the present are met without compromising the ability of future generations to meet their own needs. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

57. The decision maker should also have regard to, when making its decision, to the Council's wider obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.
58. In respect of any proposals referred to as part of the consultation, further legal advice should be sought if and when any proposal is being developed.

HR Implications

59. The Human Resource implications are as described in paragraphs 45 to 48 inclusive of the Report.

Property Implications

60. There are no direct property implications arising from this report. Full implications will need to form part of any decisions taken following consultation.

RECOMMENDATIONS

Cabinet is recommended to:

- (1) Note the updated Budget Position for 2024/25 at Provisional Settlement Stage.
- (2) Agree the proposed approach to Budget Consultation for 2024/25, and subject to that agreement:
 - Note that the formal budget consultation will commence on the 8 January 2024 and run until 4 February 2024. The results of the consultation process will then be considered by Cabinet in preparing their final 2024/25 budget proposal.
- (3) Note that the Chief Executive as Head of Paid Service will be issuing all necessary statutory and non-statutory employment consultation in respect of the staffing implications of budget preparation.

SENIOR RESPONSIBLE OFFICER	Chris Lee Corporate Director Resources
	2 January 2024

The following appendices are attached:

**Appendix 1 – Provisional Local Government Financial Settlement 2024/25
– Statement and Key Data Table**

Appendix 2 – Budget Consultation 2024/25 Details

The following background papers have been taken into account

- Budget Update Report 2024/25 and the Medium Term
- Equality Impact Assessments (EIAs) of Cardiff Councils 2024/25 Budget Savings Proposals
- WG Provisional Local Government Financial Settlement 2024/25