

Meeting date: 9 February 2023

Report to: Full Cabinet

Report title: Budget and Medium Term Financial Strategy 2023/24 to 2025/26

Report from: The Acting Chief Executive

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Executive Summary

- 1.1 The purpose of this report is to provide an update on the budget position for 2023/24 and subsequent years and to seek recommendations on the budget for Full Council. The report also includes an updated Medium Term Financial Strategy and Capital Strategy, which members are asked to consider and recommend to Full Council for approval.
- 1.2 The report summarises the outcome of the Budget Strategy Group (BSG) process and highlights the changes to the budget proposals made since the Members' Seminar in December 2022. These changes amount to a significant improvement in the forecast financial position over the three years to 2025/26, largely as a result of announcements in the Autumn Statement and provisional finance settlement.
- 1.3 In summary, the budget proposals:
- Provide a balanced budget in 2023/24, with proposals to balance in 2024/25 and 2025/26;
 - Invest over £25 million of additional funding in children's social care over the

next three years and nearly £15 million of additional funding in adult social care budgets;

- Include over £9 million of savings from the Resources portfolio over the period to 2025/26;
- Maintain a minimum balance of £7.5 million on the budget strategy reserve (BSR) over the three year MTFs period; and
- Are based on a council tax assumption in each of the three years of 2.0% for social care and 2.99% for the core council.

2. Decision(s) Recommended

- 2.1 Recommend, subject to any amendments, the draft updated Medium Term Financial Strategy (MTFS) and Capital Strategy (incorporating the Council's strategy on the flexible use of capital receipts) for approval by Full Council (attached at Appendices D and E.)
- 2.2 Approve the prudential borrowing requirements for the period of the MTFs, as set out at paragraph 3.32 below.
- 2.3 Recommend the fees and charges proposed within each portfolio and detailed at Appendix F (available online only), for approval by Full Council.
- 2.4 Recommend the Council's carbon budget, as outlined at paragraph 3.36 and detailed in the report to the Members' Budget Seminar attached at Appendix G, for approval by Full Council.
- 2.5 Agree a recommendation on the level of general council tax in 2023/24, to go forward to Full Council for approval.
- 2.6 Agree a recommendation on the level of the social care precept in 2023/24, to go forward to Full Council for approval.
- 2.7 Agree a budget recommendation for 2023/24, to go forward to Full Council for approval.

Report Title: Budget and Medium Term Financial Strategy 2023/24 to 2025/26

3. Matters for Consideration

- 3.1 This report provides an overview of the budget proposals for the Council as a whole and an update on the latest forecast position in the MTFS, following a fourth meeting of the Budget Strategy Group (BSG) in January.
- 3.2 The MTFS has been updated to reflect:
- the Period 9 financial forecast for children's services, which it is proposed to fund from the budget strategy reserve in 2022/23, as reported elsewhere on your agenda;
 - the latest forecast budget requirement for children's services from 2023/24, in order to address structural issues and direct investment to preventative services;
 - a one-off increase to the impairment allowance for doubtful debts, which it is proposed to fund from the budget strategy reserve in 2022/23, as reported elsewhere on your agenda; and
 - the impact of announcements in the Autumn Statement and provisional settlement.
- 3.3 The position reported to the Members' Seminar in December 2022 included net pressures for both Adult Social Care and the Economy and Infrastructure directorates in 2024/25 and 2025/26. The position for both directorates has now been revised as follows:
- The Adult Social Care position now reflects new and increased government funding announced in the provisional settlement and a proposed social care precept of 2.0% per annum over the three years.
 - Pressures in Economy and Infrastructure are now mitigated in full by dividends anticipated from the Coventry and Solihull Waste Disposal Company. The forecast dividends exceed the amount required to balance the directorate position which provides a net contribution to the overall funding position. In addition, the MTFS now includes funding for a new post in the directorate to maximise external income opportunities.
- 3.4 Updated schedules of the underlying pressures that are being managed by directorates as part of their overall financial position and which have influenced the development of budget proposals over the course of the last six months are attached at Appendix A. In addition, the savings proposals identified within the Resources portfolio are attached at Appendix B. The pressures, mitigations and savings were reported to the relevant scrutiny boards in January 2023 and subsequently to the Resources and Delivering Value Scrutiny Board meeting on 2 February. Feedback from that session will be provided to Full Cabinet.

- 3.5 The MTFS also includes additional funding for emerging corporate pressures affecting the medium term financial strategy (MTFS). The current high levels of inflation are affecting the forecast costs for contractual services across the authority as well as projected energy prices. Since the Members' Seminar, the inflation assumptions in the MTFS have been revised in line with the Office for Budget Responsibility projections published alongside the Autumn Statement in November. The forecasts for gas and electricity budgets have also been updated to reflect the latest information and pay budgets have been increased to allow for a revised assumption for 2023/24 of 4.0%.

Business rates income

- 3.6 As reported to the Members' Seminar, the Budget Strategy Group is recommending that all forecast business rates income now be treated as core funding, instead of contributing the windfall income received as a result of the Council's membership of the West Midlands business rates retention pilot to a reserve to be used in subsequent years. This is the approach taken by the other West Midlands authorities but does bring additional risk for a number of reasons.
- 3.7 As the forecast windfall income is now committed in full in the year to which it relates, if the actual income received was lower than forecast this would be a pressure on the MTFS, as would any financial support required by any of the West Midlands pilot members under the "no detriment" clause. It would also increase the Council's exposure to the risk that future income under a reformed business rates system would be lower than it is currently. However, it is not now expected that any such reforms will be introduced in the current Parliament.
- 3.8 The provisional settlement included details of the adjustments the government will make to the business rates retention figures for the impact of business rates revaluation in April 2023. It had been assumed that the impact would be broadly net nil at individual authority level, as was the case with the 2017 revaluation. The government usually neutralises the effect of revaluations at a national level by reducing the business rates multiplier to offset the increase in rateable values. Councils' top up and tariff payments are then adjusted over a period of three years to minimise the impact at a local level.
- 3.9 However, the picture for the 2023 revaluation has been complicated by the historically high levels of inflation and the government's decision to freeze the business rates multiplier for 2023/24. Although the government has decided to freeze the business rates multiplier for 2023/24, that headline masks adjustments for inflation, an assumed level of appeals losses and a reduction to reflect the national change in rateable values. Combined with underlying growth in the business rates base locally, the result suggests additional business rates income of around £1.6 million in 2023/24. However, the picture is extremely complex and at this stage there is not sufficient assurance on the figures to build them into the budget process, particularly given the MTFS already accepts an element of risk in respect of business rates assumptions.

- 3.10 It is instead proposed to contribute the additional income to the business rates volatility reserve until there is greater certainty, which it is expected will begin to emerge through the financial monitoring early in 2023/24. An update will be reported as part of the Period 4 monitoring in the new financial year, at which point members will be able to decide how any resources that can be released from the volatility reserve should be applied.

Council tax support fund

- 3.11 Alongside the provisional settlement there was also an announcement of a new council tax support fund for 2023/24. This scheme will provide a one-off payment of up to £25 to those in receipt of Local Council Tax Reduction (LCTR) to help with increased council tax charges. The expectation is that local authorities will award the £25 payment automatically as part of annual billing so that the payment shows on council tax bills for 2023/24 issued in March.
- 3.12 The Council has been awarded funding of £339,502 and new burdens funding to support the associated administrative costs is also expected. Any remaining funding once the annual billing process has been completed should be used for a discretionary scheme to support those most vulnerable.

Adult Social Care

- 3.13 The adult social care budget has experienced significant pressures for several years. This is due to numbers of older people rising faster than the general population, disabled people living longer, increases in the National Living Wage (NLW) and increases in the total cost of care packages for people with increasing needs.
- 3.14 The process of estimating future years' budgetary requirements has become more complex due to the range of factors that determine future cost. NLW increases are significantly higher than forecast which, combined with current levels of inflation, make it difficult to accurately estimate future wage costs. The difficult economic environment, cost-of-living impacts from high inflation and a challenging employment market place the sustainability of some care providers under strain. The national media reporting for adult social care has raised the expectations of some providers with respect to their ambitions on future rates.
- 3.15 Although the Council continues to monitor market conditions, there is a risk that the figures included in the MTFS for adult social care could increase significantly. Any further pressures would be incorporated into future iterations of the MTFS, and potential mitigations would be considered as part of this process.
- 3.16 The adult social care risk reserve is also available to meet unbudgeted expenditure after taking account of the contributions included in the current budget proposals.

Budget Strategy Reserve

- 3.17 For a number of years, the Council has adopted a three-year budget approach, using the budget strategy reserve to manage pressures emerging in years one and two of the MTFS so that the budget process can focus on identifying options to manage the ongoing pressure in the third year. This year, the scale of the pressures arising from updated assumptions in years one and two of the MTFS and the level of uncertainty underlying many of the key assumptions led the Budget Strategy Group to focus on balancing the forecast position for 2023/24. The Group also considered a wide-ranging set of strategic and structural options for addressing the funding position in future years, which are outlined at Appendix C.
- 3.18 In the light of the risks underlying the budget assumptions, the Acting Chief Executive is recommending that a balance of £7.5 million is maintained in the budget strategy reserve over the period from 2023/24 to 2025/26 and this is achieved through the budget proposals set out in this report. As detailed elsewhere on your agenda, it is proposed to use the budget strategy reserve in 2022/23 to fund the in-year pressure on children's services, the in-year impact of the pay award and an increase to the impairment allowance for doubtful debts. This will reduce the level of the reserve to a minimal amount at 31 March 2023 but then this will be corrected on 1 April 2023 based on the planned contributions included in this report.
- 3.19 Should it become necessary to fund any further pressures from the budget strategy reserve in 2022/23, some of the technical savings proposals (such as the release of reserves) identified within the Resources portfolio and detailed at Appendix B could be brought forward to top up the balance on the reserve.

Updated funding position

- 3.20 A fourth meeting of the BSG took place in January 2023 to consider the impact of the provisional finance settlement, which provided details of a net increase in funding, including:
- Increases to the council tax referendum thresholds, taking the maximum increase for core council tax to 2.99% and the maximum increase for the social care precept to 2.00%. Figures published in the Autumn Statement suggest these increases are likely to be extended into 2025/26, so the MTFS now assumes a maximum increase in council tax of 4.99% in each of the three years.
 - A net increase of £4.534 million in the social care grant in 2023/24. It is proposed to allocate £0.350 million of this grant to create more capacity for performance analysis and improvement and to support digital exploitation, with the balance to be divided equally between adults' and children's services. The element attributable to children's services is needed to offset the pressures already built into the MTFS.
 - A Market Sustainability and Improvement Fund to support local authorities to "address discharge delays, social care waiting times, low fee rates, workforce pressures and to promote technological innovation" in adult social care. Solihull's share will be £2.038 million in 2023/24, £1.451 million more than the fair cost of care funding received in 2022/23.

- A new Hospital Discharge Fund, to be pooled in the Better Care Fund, worth £0.904 million to Solihull in 2023/24.
- A net reduction in other grants (the services grant, New Homes Bonus and lower tier services grant) of £1.968 million, £1.364 million lower than assumed at the time of the Members' Seminar.

3.21 The additional ongoing funding that has been made available through the provisional settlement has been used to allow the release of £3.7 million of the adults' risk reserve in 2024/25.

3.22 Since the BSG meeting in January, some further movements have taken place including refinement of some of the figures previously reported and confirmation of the declared surpluses for business rates and council tax.

3.23 The movements since the Members' Seminar are summarised in the table below.

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 |
|--|------------------|------------------|------------------|
| Autumn Statement/Provisional Settlement | | | |
| Council tax – core (maximum) | (1,201) | (2,530) | (3,963) |
| Council tax – social care precept (maximum) | (1,201) | (2,530) | (3,963) |
| Additional social care grant | (4,534) | (6,495) | (3,245) |
| Use of social care grant for performance management and digital capacity | 350 | 357 | 364 |
| Application of social care grant and ASC precept to fund adult social care pressures | 3,293 | 2,689 | 2,314 |
| Other settlement announcements | 1,364 | 1,835 | 1,835 |
| | (1,929) | (6,674) | (6,658) |
| Core funding streams | | | |
| Business rates – inflation reduction and growth | 1,346 | (159) | 1,612 |
| Business rates – revaluation | (1,633) | (2,787) | (1,846) |
| Business rates – contribution to volatility reserve | 1,633 | 1,962 | 0 |
| Business rates/council tax declared surplus | (92) | 0 | 0 |
| Council tax base | (267) | (62) | (65) |
| | 987 | (1,046) | (299) |
| Portfolio specific movements | | | |
| Children's services ongoing | 253 | 273 | 93 |
| CSWDC dividends (maximum) | (3,167) | (1,817) | (1,817) |
| E&I post | 73 | 74 | 75 |
| | (2,841) | (1,470) | (1,649) |
| Budget strategy reserve | | | |
| Top up for use in 2022/23: children's services | 1,269 | 0 | 0 |

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 |
|--|------------------|------------------|------------------|
| Top up for use in 2022/23: increase to impairment allowance | 1,015 | 0 | 0 |
| | 2,284 | 0 | 0 |
| Other | | | |
| Replace corporate contribution to budget strategy reserve (BSR) with funding from ASC reserves | 0 | (3,763) | 0 |
| Inflation, pay award and other movements | 65 | (70) | (828) |
| Total | (1,434) | (13,023) | (9,434) |

3.24 The latest position is shown in the table below. The position is balanced across all three years of the MTFs, with savings required from the strategic and structural options attached at Appendix C in 2024/25 and 2025/26. Although the detailed proposals within these options will be worked up over the coming months, together these themes offer scope for substantial savings potential which gives assurance on the deliverability of these targets.

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 |
|--|------------------|------------------|------------------|
| Funding gap as reported to Members' Seminar | 1,307 | 14,804 | 11,420 |
| Impact of changes as above | (1,434) | (13,023) | (9,434) |
| Further contribution to/(from) BSR | 127 | (127) | 0 |
| Savings requirement | 0 | 1,654 | 1,986 |
| Structural and strategic savings target | 0 | (1,654) | (1,986) |
| Net position | 0 | 0 | 0 |

3.25 It should be noted that these figures are pending the publication of the final local government settlement, finalisation of the business rates forecasts, confirmation of the Pension Fund contribution rates and confirmation of the Environment Agency levy. In addition, to the extent that members do not approve council tax increases at the maximum levels, the target savings from strategic and structural options would increase accordingly.

Budget 2023/24

3.26 The resulting budget for 2023/24 would be £192.579 million, as summarised below.

| | 2023/24 £m | 2024/25 £m | 2025/26 £m |
|---|------------------|------------------|------------------|
| Base budget | 163.967 | 192.579 | 208.050 |
| Funding commitments | 27.430 | 12.899 | 2.711 |
| Strategic and structural savings | 0.000 | (1.654) | (0.332) |
| Savings approved in Feb 2023 | (5.598) | 4.398 | (1.115) |
| Savings approved in previous years | 1.450 | 0.000 | 0.750 |
| Government grants | (3.335) | (1.490) | 3.250 |
| Contributions to / (from) corporate reserves | 6.612 | 5.208 | (1.835) |
| Contribution (from) ASC risk reserve | 0.000 | (3.763) | 3.763 |
| Contributions from windfall | (7.555) | 0.000 | 0.000 |
| Contribution to / (from) budget strategy reserve (previously approved contributions plus amendments proposed through this budget process) | 9.608 | (0.127) | 0.000 |
| Recommended/ indicative budget | 192.579 | 208.050 | 215.242 |
| Total funding | (192.579) | (208.050) | (215.242) |
| Maximum assumed general council tax increase | 2.99% | 2.99% | 2.99% |
| Increase in council tax to fund adult social care | 2.00% | 2.00% | 2.00% |

3.27 It should be noted that this position is subject to change should there be any new announcements included in the final settlement.

Medium Term Financial Strategy (MTFS)

3.28 The MTFS has been updated and a draft is attached for comment at Appendix D. The MTFS represents an overarching strategy document, supported by three separate strategies for revenue, capital and treasury management. The figures within the MTFS are based on the budget assumptions outlined above, and to the extent that those assumptions change as a result of Full Cabinet's recommendation on council tax or the final settlement, this will affect the figures included in the MTFS. The final version of the MTFS will also include a foreword from the Leader of the Council.

3.29 The corporate Capital Strategy has also been updated and a draft is attached at Appendix E. The Capital Strategy incorporates the Council's updated strategy on the flexible use of capital receipts and the Minimum Revenue Provision Policy Statement, which will require the specific approval of Full Council. The updated Treasury Management Strategy was considered by Audit Committee on 9 January 2023 and will be reported to Full Council for approval.

- 3.30 Final versions of the MTFs and Capital Strategy will be submitted to Full Council on 23 February, alongside the budget and council tax recommendations.
- 3.31 The Revenue Strategy, which will set out the budgets for each cabinet portfolio and provide more detail on council tax levels, will be completed following Full Council's approval of the budget for 2023/24. All three strategies will be published on the Council's website alongside the MTFs itself.

Prudential borrowing

- 3.32 As decisions on the use of prudential borrowing tend to be taken by members outside the budget process, information on the Council's commitments is included in the budget reports in order to provide members with a complete picture of the Council's commitments. The MTFs includes £117,000 of additional revenue funding for prudential borrowing over the three-year period.

Fees and Charges

- 3.33 Under the Council's fees and charges policy, every charge levied by the Council needs to be approved annually as part of the budget setting process. A schedule of proposed fees and charges is available, online only, as Appendix F to this report.
- 3.34 These fees and charges take into account the guidance set out in the Council's policy and have been reviewed in the light of the pressures faced by the Council and with reference to inflation levels and particular service circumstances. Members are asked to note that, in line with the MTFs, standard assumptions for income levels have been built into the base budgets and any variations to fees and charges impacting on the assumed financial position will have to be managed within individual cash limits.
- 3.35 The fees and charges policy will be rolled forward as part of the strategic review of the Council's Financial Regulations and reported to Audit Committee in March alongside the annual update of the Council's Financial Regulations. A more detailed review will be undertaken in the summer.

Carbon budgeting

- 3.36 In October 2019 the Council committed to reducing its net carbon emissions to zero by 2030 and agreed to set annual carbon emission reduction budgets. Further details are outlined in the report presented to the Members' Budget Seminar which is attached at Appendix G, but the proposed budget for 2023/24 is summarised below.

| Service area | Actual 2021/22 (tonnes) | Budget 2022/23 (tonnes) | Proposed budget 2023/24 (tonnes) |
|-----------------------------------|--|--|---|
| Corporate properties | 3,904 | 2,540 | 2,200 |
| Leisure contract | * | 1,900 | 1,900 |
| Strategic environment contract | 1,789 | 1,959 | 1,959 |
| Other | 1,200 | 1,200 | 1,200 |
| Total | 6,893 | 7,599 | 7,259 |

* previously included under corporate properties

4. What options have been considered and what is the evidence telling us about them?

4.1 In developing the budget proposals for review by the BSG, the directorate leadership teams worked with the cabinet portfolio holders to establish the pressures and mitigations within each service area. In deciding its recommendations for the budget, the BSG considered emerging financial risks and priorities in the light of the Council's funding position

5. Reasons for recommending preferred option

5.1 As outlined in section 3 above, the recommendations of the BSG are based on the consideration of the particular financial constraints and service delivery context of each individual service area. In determining its recommendations, the Group sought to balance the requirements of each service area within the forecast funding envelope set out by the updated MTFS.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

| Priority: | Contribution: |
|---|--|
| <p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. | <p>The MTFS provides the financial framework which supports the delivery of the Council Plan. The high level implications of the proposed pressures, mitigations and savings for the Council's priorities are indicated in the tables in the appendices.</p> |
| <p>Economy:</p> <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. | <p>The MTFS provides the financial framework which supports the delivery of the Council Plan. The high level implications of the proposed pressures, mitigations and savings for the Council's priorities are indicated in the tables in the appendices.</p> |
| <p>Environment:</p> <ol style="list-style-type: none"> 8. Enhance our natural environment, improve air quality and reduce net carbon emissions. | <p>The MTFS provides the financial framework which supports the delivery of the Council Plan. The high level implications of the proposed pressures, mitigations and</p> |

| Priority: | Contribution: |
|-------------------------------|---|
| | savings for the Council's priorities are indicated in the tables in the appendices. |
| 9. Promote employee wellbeing | The MTFs provides the financial framework which supports the delivery of the Council Plan. The high level implications of the proposed pressures, mitigations and savings for the Council's priorities are indicated in the tables in the appendices. |

6.2 Consultation and Scrutiny:

6.2.1 The budget proposals relating to each cabinet portfolio have been reported to the relevant scrutiny boards and feedback from the Resources and Delivering Value Scrutiny Board will be provided to Full Cabinet.

6.2.2 The Budget Strategy Group has agreed that consultation with the public will take place on key specific budget proposals where that is necessary and appropriate. The budget proposals presented here have been shared with the unions and representatives of the business community.

6.3 Financial implications:

6.3.1 In order to set a balanced budget, the authority's limited resources need to be targeted at priority areas and any unfunded service pressures will have to be met from corresponding spending reductions. Equally, if any of the mitigations in Appendix A or savings in Appendix B are not supported, then alternatives will need to be identified in order to balance the budget.

6.4 Legal implications:

6.4.1 Under the Local Government Finance Act 1992, the Council must calculate its council tax requirement for 2023/24 before 11 March 2023. This decision is reserved to a meeting of the Full Council which this year will take place on 23 February; however, Full Cabinet is responsible for making a recommendation on the budget and associated council tax for the forthcoming financial year to Full Council, which is the subject of this report.

6.4.2 The budget proposals attached at Appendices A and B were developed with regard to legal implications where applicable.

6.5 Risk implications, including Risk Appetite:

6.5.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) maintains an index of financial resilience for English councils which assesses each authority against a number of indicators, including levels of reserves, external debt and auditors' judgements, in order to illustrate each council's financial position relative to that of comparator authorities. CIPFA acknowledges that the index should not however be

viewed in isolation and its interpretation will depend to a large degree on the local context specific to each authority.

- 6.5.2 The latest publication is based on 2021/22 data. Solihull's results suggest that for the majority of the indicators used the authority falls in the average to low risk category compared to our statistical nearest neighbours and other metropolitan districts. The index suggests that Solihull has relatively high levels of unallocated reserves (such as working balances and the budget strategy reserve) which it is using at a sustainable pace.
- 6.5.3 There are two measures where Solihull appears to be higher risk compared to both comparator groups: firstly relating to business rates growth and the potential impact on the Council of changes to the design of the business rates retention scheme, and secondly to spend on social care as a proportion of total spending.
- 6.5.4 The relatively high level of unallocated reserves (e.g. the budget strategy reserve) maintained by the authority, as evidenced by the measures relating to reserves, reflects the fact that the Council is aware of the business rates risk and has plans in place to mitigate it. It should also be noted that retained business rates income provides less than a third of the Council's funding, with the majority coming from council taxpayers – a more stable and predictable funding stream.
- 6.5.5 Our unallocated reserves – both service risk reserves and the budget strategy reserve – also provide some protection against the risk highlighted by the social care indicator, which is the ratio of total spending on adults' and children's social care to net revenue expenditure. This indicator is included in the resilience index on the basis that if an authority spends a high proportion of its budget on social care, which is largely statutory and demand-led, it may have less flexibility to respond to increased demand and may therefore be more vulnerable to financial pressure. However, we also know that Solihull is a relatively low-spending authority overall and therefore spend on statutory services is likely to represent a greater share of our budget than it would for higher spending councils.
- 6.5.6 Solihull is now highest on the social care measure in the nearest neighbours group, and fourth highest in the metropolitan group. At 46% of our total spend, the proportion we spent on adult social care was closer to the average for both the nearest neighbours and metropolitan groups, but the proportion we spent on children's services (31%) was the highest in our nearest neighbours group and also relatively high compared to other metropolitan districts. This will reflect investment decisions taken by the Council in recent years. It should be noted that indicators such as comparative spend per head and analysis at a more granular level will produce a more complete picture of relative spend on these services.
- 6.5.7 The Acting Chief Executive has taken the findings of CIPFA's financial resilience index into account, together with the MTFs itself and the information provided through the budget and scrutiny process, in reaching his conclusion under section 25 of the Local Government Finance Act 2003 that he is satisfied with the robustness of the revenue estimates and the adequacy of the proposed financial reserves.

6.6 Equality implications:

6.6.1 A strategic fair treatment assessment, which takes a high-level overview of the potential impact of the budget and MTFS proposals on customers, staff and communities, is attached at Appendix H.

6.6.2 As set out in Appendix H, specific budget proposals will be subject to detailed fair treatment assessments, where applicable, before they are implemented.

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1 The budget proposals are consistent with existing joint working arrangements with partners.

7. List of appendices referred to

7.1 Appendix A: Pressures and mitigating actions 2023/24 to 2025/26

7.2 Appendix B: Resources savings proposals

7.3 Appendix C: Strategic and structural options report to Budget Strategy Group, 21 November 2022

7.4 Appendix D: Draft Medium Term Financial Strategy 2023/24 to 2025/26

7.5 Appendix E: Draft Corporate Capital Strategy

7.6 Appendix F: Fees and charges 2023/24 [available online only]

7.7 Appendix G: Carbon reduction emissions budget report to Members' Budget Seminar, 1 December 2022

7.8 Appendix H: Strategic Fair Treatment Assessment of the MTFS

8. Background papers used to compile this report

8.1 Budget Strategy Group papers from the meetings held on 12 October 2022, 7 November 2022, 21 November 2022 and 16 January 2023

9. List of Other Relevant Documents

9.1 None