

PART A - Initial Impact Assessment

Proposal Name: Medium Term Financial Strategy 2024

EIA ID: 2759

EIA Author: Philip Gregory (FINANCE)

Proposal Outline: The setting of a robust and balanced Medium Term Financial Strategy will enable the Council to remain financially sustainable and deliver against the Council Plan. This report sets out an early view of the medium-term financial position for the Council. This report sets out the scale of mitigations required to offset budget pressures and will be updated in the autumn following details of work on the future Target Operating Model and budget prioritisation activity.

Proposal Type: Non-Budget

Year Of Proposal: 24/25

Lead Director for proposal: Philip Gregory (FINANCE)

Service Area: Finance

EIA Start Date: 12/07/2024

Lead Equality Objective: Leading the city in celebrating and promoting inclusion

Equality Lead Officer: Adele Robinson

Decision Type

Committees: Policy Committees

- Strategy & Resources

Portfolio

Primary Portfolio: Strategic Support Services

EIA is cross portfolio: Yes all

EIA is joint with another organisation: No

Overview of Impact

Overview Summery:

The Council's Equality, Diversity and Inclusion Framework commits the Council to ensuring fair and open service delivery, making best use of data insight and reflecting the service needs of the users. This report sets out a Medium-Term Financial Strategy (MTFS) for the period 2025/26 to 2028/29. It shows how the delivery of the Council Plan and the Target Operating Model go hand-in-hand with financial sustainability. Medium term financial planning must make assumptions about the future demand profile and cost pressures on expenditure and on factors that affect income sources. The MTFS sets the financial planning envelope within which the council must fund its activities in order to set a balanced budget in each of the next 4 years through the budgeting and business planning process. For SCC to remain financially sustainable without persistent overspends there must be a programme of savings and prioritisation of spend to set a balanced budget for 2025/26 and the medium term ahead. There are Demand and growth pressures total £57.8m and mainly relate to social care. It includes the effects of demographic changes and growth in demand for services. This particularly impacts care fees, placement costs and SEND transport as well as staffing increases in both Adults and Children's services. which will clearly have equality implications. There is also a likely impact on poverty and financial exclusion. A further consideration at this stage could be the inclusion of a notional Sales, Fees and Charges (SFC) target in line with September CPI forecast of 2.0%. As part of a review of this, it will be important to assess the equality impacts of any additional fee increases. Ensuring fee uplifts do not disproportionately affect groups already struggling with the cost-of-living crisis will be a priority, and where identified, the Council will seek to target support at those affected. However, it is vital that where possible and appropriate, sales, fees and charges are increased to generate much needed funds and to avoid taxpayer's subsidisation of the

related services. However at this stage there are no new savings proposals put forward in this report for which an EIA would be required. Where savings proposals are put forward in future reports or as we undertake reviews as noted above, the Council will ensure that appropriate mitigations are considered and relevant groups are consulted

Impacted characteristics:

- Poverty & Financial Inclusion
- Disability
- Age
- Carers

Impacted local area(s): All

Consultation and other engagement

Is consultation or other engagement required: No

There has been no consultation on this report, however, it is anticipated that the budget process itself and any reviews identified in this report will involve significant consultation as the Policy Committees develop their budget proposals.

Cumulative Impact

Does the proposal have a cumulative impact: Yes

Impact areas: Year on Year, Geographical Area, Across a Community of Identity/Interest

Initial Sign-Off

Full impact assessment required: No

Review Date: 09/02/2025

Action Plan & Supporting Evidence

Outline of action plan: None at this stage

Action plan evidence: The budget 24-25 and MTFS report.

Changes made as a result of action plan:

Mitigation

Significant risk after mitigation measures: No

Outline of impact and risks:

Review Date

Review Date: 09/02/2025