

Overview and Scrutiny Committee

Budget Update Session
31st October 2023

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Key themes for the presentation

- Overview of the budget – a reminder of the basics
- Medium Term Financial Strategy ('MTFS') and Projected Gap
- GF Revenue Budget Gap Solution – Strategic Approach:
 - Priority Based Budgeting (PBB)
 - Cashable Savings – 12%
- The Star Chamber discussion re the 2024/25 Budget
- Other critical/potential savings for consideration
- Forward look (draft timetable)

Overview of Financial Strategy

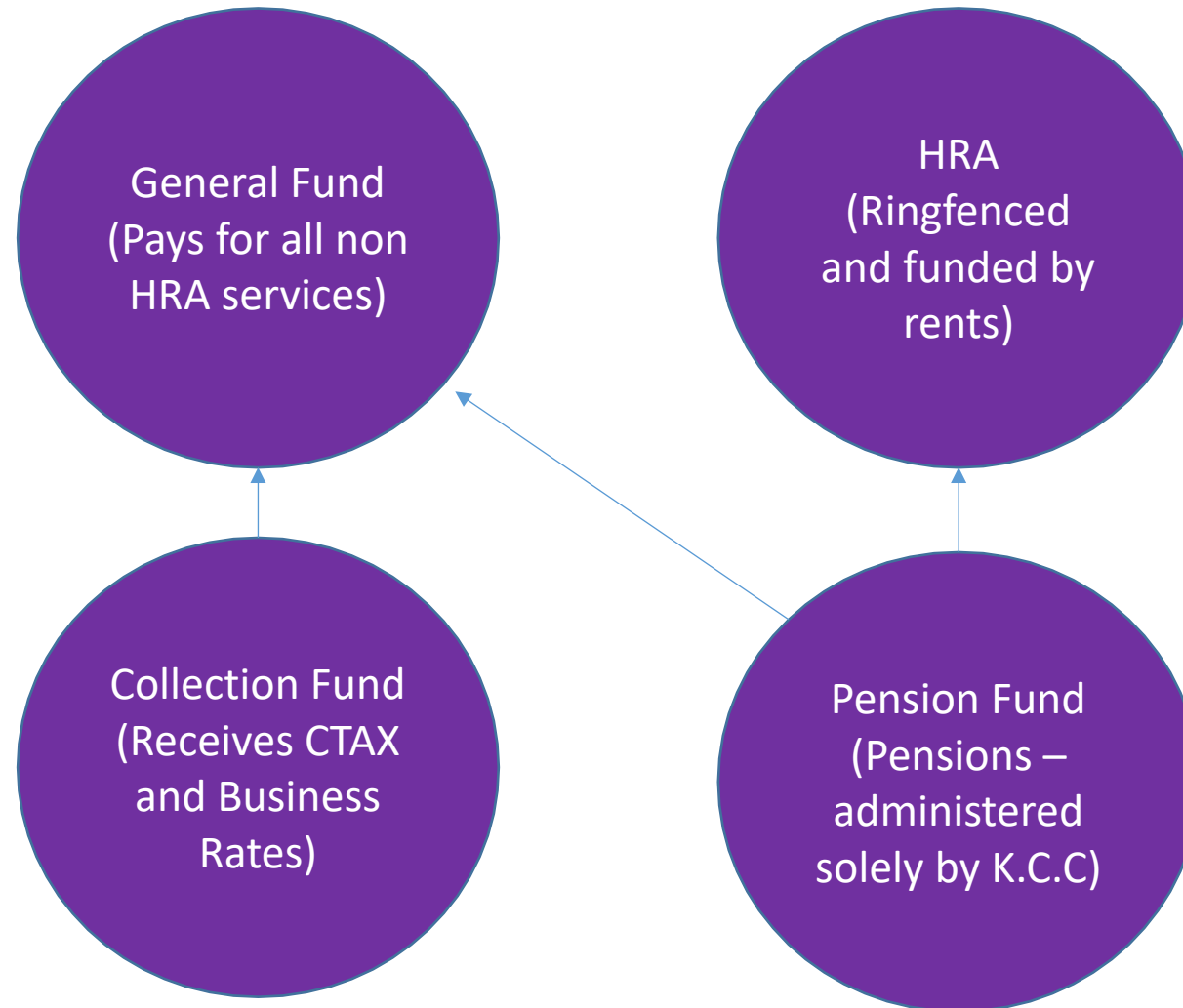
The general principles underpinning the Council's financial strategy are:

- To maintain a balanced budget position, which is robust, affordable and sustainable without the ongoing use of reserves;
- To ensure Spending Plans are aligned with the Council's aims and objectives as defined by its Corporate Plan;
- Continual monitoring and review of Revenue and Capital budgets followed by timely and corrective modification where necessary to ensure that resources are used effectively and targeted to achieve key objectives and offer value for money.

District budget context (2023/24 Base)

- Gross Annual Revenue Spend £106.1 million - (both GF & HRA)
- Gross Annual Income £91.8 million - (both GF & HRA)
- Net Council tax requirement was – £14.3m
- Band D Council Tax was - £287.37 (excluding Parish precepts)
- Council Tax increase was 2.97%
- Number of Council Tax Bills sent out – 53,893 (97%)
- Number Business Rates Bills sent out – 3,982 (98%)

Council Budgets are fund based (4 funds)



Medium Term Financial Strategy (“MTFS”)

- The key 4-year financial plan for the Council
- Includes Corporate Plan priorities, key aims & service objectives
- Projects cumulative funding position on a rolling year basis
- Forecasts external economic and funding factors
- Modelled and stress tested – worst, median and best-case scenarios
- Key part of the budget process and Council Tax setting
- The MTFS is refreshed and agreed by the Council every November

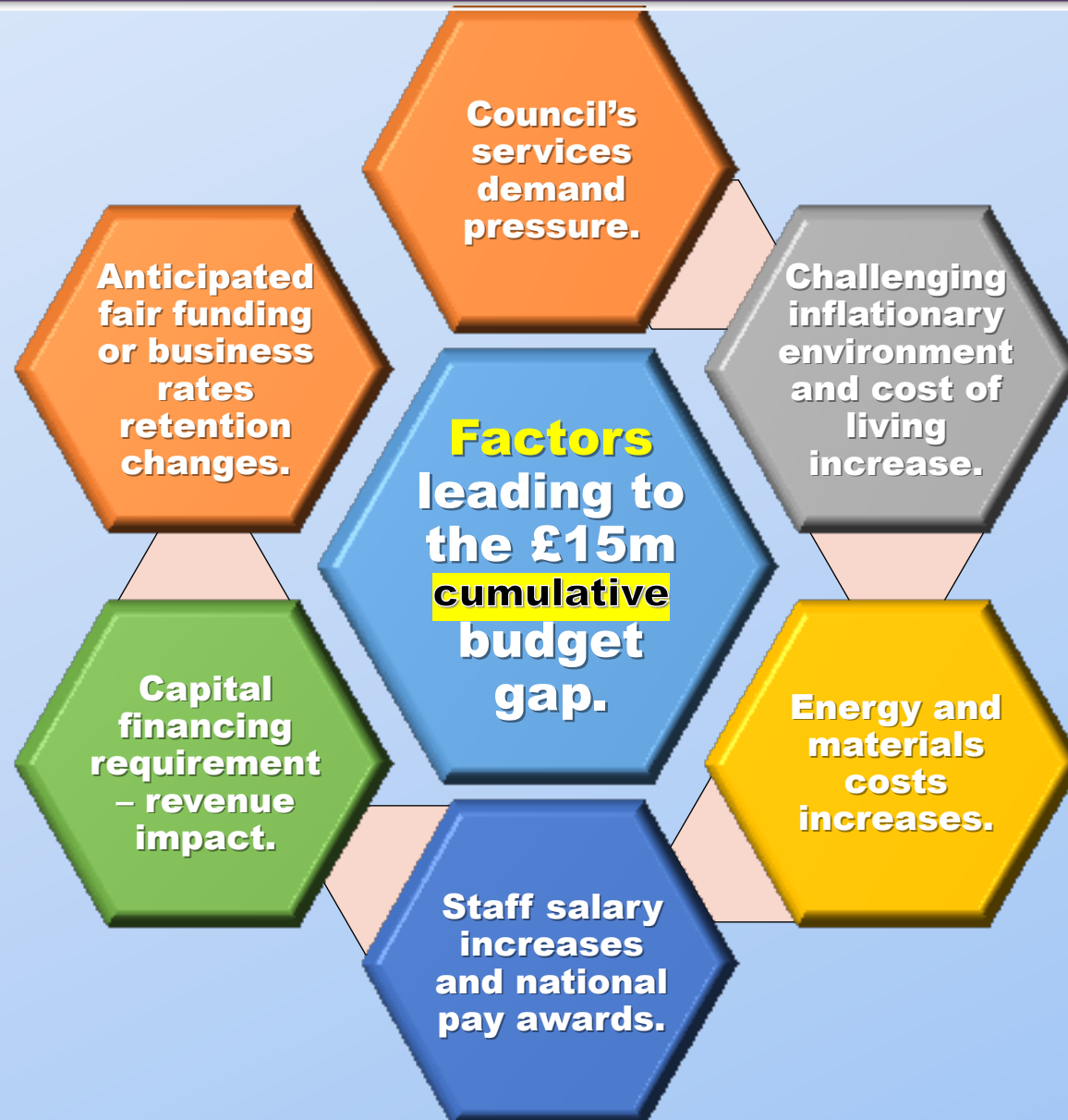
Key MTFS headlines (Based on current MTFS approved November 2022)

Medium Term Financial Forecast (excludes growth & savings)

Financial Forecast	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Net Revenue Expenditure Forecast	22,656	23,435	23,307	23,595
Deficit / (Surplus)	4,286	4,501	4,961	4,751
Cumulative Deficit	4,286	8,787	13,478	18,499

	£'000
Inflationary pressures	1,601
Net interest payable	386
Collection fund adjustments	(1,599)
Energy cost increases	211
Revenue contribution to capital	(1,622)
Other service / technical changes	384
Net Movement in Reserves (removal from 22/23 base budget)	4,924
Forecast MTFS Budget Deficit Before Growth and Savings Proposals	4,286

Projected MTFP/Budget Gap ?



PBB: Priority-based budgeting

Seeks to ensure that budgets are set to ensure that a service area is resourced to deliver its priority areas, with any budget savings being made in areas that are considered lower priority. The core concepts are to -

- Prioritise services
- Eliminate unnecessary spending
- Question and challenge ongoing expenditures
- Budget within the Council means
- Understand the Council's commitments/expenditures
- Be transparent about community priorities
- Be accountable
- **Is it Discretionary or Statutory service?**

The Star Chamber – Budget Meetings

- Star Chamber is an informal Cabinet member meeting supported by senior officers - met on the 3rd and 4th of October 2023.
- Its purpose is to challenge existing service provisions, budgets and spending plans with the aim of achieving better value for money and diverting resources into council priorities and away from non-priority areas.
- It also provides the framework and focus for achieving the financial savings targets included in the Medium-Term Financial Strategy.
- The October meeting considered financial, physical assets and human resource implications.

PBB Savings & Growth Request

Department	Latest Approved controllable budget	Savings			Growth and income realignment requests
		12% Savings target	Saving achieved	Saving achieved %	
Finance, Strategy & Corporate Services	8,748,299	(1,049,796)	(638,314)	7.30%	199,450
Human Resources	640,239	(76,829)	(57,530)	8.99%	99,000
Governance & Law	3,200,390	(384,047)	(80,595)	2.52%	-
Leadership Support	743,720	(89,246)	(1,950)	0.26%	-
Place	3,341,039	(400,925)	(290,071)	8.68%	116,020
Economic Development	449,060	(53,887)	(101,410)	22.58%	-
Planning	165,317	(19,838)	(36,050)	21.81%	-
Operations	1,089,052	(130,686)	(654,510)	60.10%	188,240
Housing	2,974,300	(356,916)	(98,500)	3.31%	-
Waste Contract/income*	3,983,350	(478,002)	(136,000)	3.41%	75,850
Total	25,334,766	(3,040,172)	(2,094,930)	8.27%	678,560

PBB Savings & Growth & Vacancies

Department	Latest Approved controllable budget	Saving achieved	Growth and income realignment	Vacancies adjustments	Revised Saving achieved
	£	£	£	£	£
Finance, Strategy & Corporate Ser.	8,748,299	(638,314)	199,450	219,988	(218,876)
Human Resources	640,239	(57,530)	99,000	24,230	65,700
Governance & Law	3,200,390	(80,595)	-	-	(80,595)
Leadership Support	743,720	(1,950)	-	-	(1,950)
Place	3,341,039	(290,071)	116,020	95,030	(79,021)
Economic Development	449,060	(101,410)	-	-	(101,410)
Planning	165,317	(36,050)	-	-	(36,050)
Operations	1,089,052	(654,510)	188,240	91,710	(374,560)
Housing	2,974,300	(98,500)	-	40,230	(58,270)
Waste Contract/income	3,983,350	(136,000)	75,850	-	(60,150)
Projected Vacancies Review savings				(2,032,404)	(2,032,404)
Total	25,334,766	(2,094,930)	678,560	(1,561,216)	(2,977,586)

Potential savings raised at the Star Chamber for members' consideration

<u>Waste Contract</u>	£
Lower Zone Z Standard To 2A	(200,000)
Reduce Litter Bins	(30,000)
Increase Bulky Waste Collection Fee	(5,000)
Above Inflationary Increase in GW Charge	(30,000)
Re-introduce the policy to charge for replacement residual waste bins	(40,000)
<u>Operations</u>	
Close/not provide toilet cleaning service - exploring transition to TC & Parishes in <u>2024/25</u>	(157,000)
Verge cutting - not a statutory service	(98,612)
On-Street Car Parking – (additional income range of £200k - £300k)	(200,000)
Other – Civic Ceremonials – vehicle maintenance, etc.	(10,080)

Forward Look (draft timetable)

- Star Chamber meetings and budget policy setting – October 2023
- Re-pricing of new MTFS – October – for Cabinet/Council November
- Autumn Statement 2023 - 22 November 2023
- Budget Strategy and Fees and Charges - December 2023
- Consolidation of GF/HRA/Capital Budgets – December 2023
- Provisional Local Government settlement – December 2023
- CLT Review of budget, etc. - December 2023
- Council tax (LCTS) and Business Rate baseline – Jan 2024
- Final Local Government settlement – Jan/Feb 2024
- Final GF/HRA/ Capital Budgets to Cabinet/Council Feb 2024

Questions?

