

Addendum

Overview and Scrutiny Committee

Dear Councillor,

Overview and Scrutiny Committee - Thursday, 25 January 2024, 7.30 pm

I enclose, for consideration at the meeting of the Overview and Scrutiny Committee to be held on Thursday, 25 January 2024 at 7.30 pm, the following reports which were unavailable when the agenda was published.

Mari Roberts-Wood
Managing Director

4. **Summary of Budget Movements November 2023 to January 2024(Pages 3 - 6)**

To consider the updated elements of the Budget 2024/25 and Capital Programme 2024 to 2027 proposals before Executive on 1 February 2024.

For enquiries regarding this addendum;

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Briefing Note: Overview & Scrutiny Committee

25 January 2024

Budget 2024/25 and Capital Programme 2024 to 2019

Summary of Significant Budget Changes Since the November 2023 Budget Report

1. Service Budgets

- 1.1 Additional Service net growth of **£0.134m**, comprising the net impact of minor adjustments the November proposals plus various minor changes to other service budgets – a summary breakdown is provided below:

TABLE 1: Service Growth & Savings Changes (November to January)	£m
Leisure Management contract - inflationary increase	(0.015)
Legal & Democratic Services – updated restructure costs	0.043
Asset Management System Cloud migration costs (funded from the IT Strategy reserve)	0.035
The Rise – updated forecast income from lettings	(0.020)
The Rise – budget for operational/utility costs	0.017
Revised HVO fuel growth requirement	(0.011)
Utility costs – Depot EV charging points	0.016
Revised IT Strategy investment growth - funded from IT Strategy Reserve	0.069
Total	0.134

Further details are provided at Annex 2 of the final budget report to Executive.

2. Central Budgets

- 2.1 Treasury Management budget income forecasts have been reviewed:
- Reduction compared to the November forecast – **£55k** to reflect forecast capital funding requirement and investment income.
- 2.2 Forecasts for potential Housing Benefit pressures have been reviewed and reduced:
- Reduced forecast budget pressure for the shortfall in benefit subsidy - **£270k** - but remains a significant budget risk

3. Council Tax & Business Rates (NNDR)

- 3.1 No change - +2.99% increase (+£7.25 per annum for a Band D property) in line with the Government's referendum limit.
- 3.2 Updated Council Tax income forecast to reflect the annual increase, growth in the taxbase, updated recovery forecasts and this Council's share of the Collection Fund surplus – **£382k** increase in forecast.
- 3.3 No change to the NNDR income forecast.

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4. Grants

4.1 Provisional Settlement – confirmed grants:

- Reduced New Homes Bonus grant - **£228k**
- Reduced Lower Tier Services Grant and Services Grant – **£0.078k**
- Increased Minimum Funding Guarantee Grant – **£526k**

5. Call on Reserves

5.1 There is no call on the General Fund Reserve to achieve a balanced Budget for 2024/25. The budget is balanced with a net requirement of £23.167m.

5.2 Changes to planned calls on Reserves as follows:

- Up to £694k (previously £964k) call on the Government Funding Risks Reserve – to address the forecast Housing Benefit subsidy reduction.
- Planned £304k call on the IT Strategy Reserve – £35k plus £69k increase to reflect updated investment plans – see Table at 1.1 above.
- £695k additional contribution to Reserves representing the confirmed allocation of Homelessness Prevention grant. This has a net neutral impact on the 2024/25 Budget as funding received is transferred straight to an earmarked Reserve.

5.3 Forecast reserve levels at 1 April 2024 (before allowing for the above movements):

- £3.500m in the General Fund balance
- Other Earmarked Reserves totalling £26.913m, plus residual COVID-19 balances of £0.340m.

6. Comparison of 2023/24 to 2024/25

6.1 The Final Revenue Budget is balanced - the total budget movement compared to 2023/24 is insignificant.

Table 2: BUDGET SUMMARY	Budget 2023/24 £m	Budget 2024/25 £m	Net Budget Increase / (Decrease)
1. Net Cost of Services	20.618	18.578	
2. Central Budgets	2.576	4.589	
NET EXPENDITURE 2023/24	23.194	23.167	(0.027)
3. Council Tax	16.293	16.675	
4. Business Rates (NNDR)	3.994	3.344	
5. Other Un-ringfenced Grants			

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Table 2: BUDGET SUMMARY	Budget 2023/24 £m	Budget 2024/25 £m	Net Budget Increase / (Decrease)
• Services Grant	0.093	0.015	
• New Homes Bonus Grant	1.034	0.806	
• Minimum Funding Guarantee Grant	0.803	1.329	
6. Grants Transferred to Reserves:			
• Homelessness Prevention	0.686	0.695	
• Transfer to Reserves	(0.686)	(0.695)	
7. Call on Earmarked Reserves:			
• Government Funding Risks Reserve	0.484	0.694	
• IT Strategy Reserve	0.493	0.304	
NET SOURCES OF INCOME	23.194	23.167	(0.027)

7. Funding Changes 2023/24 to 2024/25 – Summary

Table 3: FUNDING CHANGES	Budget 2024/25 £m
Council Tax – net income increase	(0.382)
Business Rates & Government Grants – net decrease	0.650
Net Increase in Grants <ul style="list-style-type: none"> • Lower Tier Services Grant • Services Grant (new) • New Homes Bonus • Minimum Funding Guarantee 	(0.220)
Homelessness Prevention Grant funding	No impact
Forecast movement in Earmarked Reserves use	(0.021)
Net Funding Increase / (Decrease) (Budget Report Table 1)	(0.027)

8. Capital Programme – Growth Proposals

8.1 Additional Capital Programme growth proposals were approved by Executive in December and are included in the final budget report:

- completion of Marketfield Way - £4.298m
- purchase of an electric refuse vehicle - £0.242m

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9. 2023/24 Budget Consultation and Assessment of Equality Implications

9.1 Consultation – details are included at Annex 5 of the final Budget report.

In summary:

- 8 weeks consultation on budget proposals
- 73 responses received and a variety of views expressed, as would be expected. Headlines include:
 - 60% of respondents supported the proposal to increase Council Tax by the referendum limit
 - There was a mixed response to proposals for changes to fees and charges. There were lower levels of support (30-35%) for increases to garden waste, bulky waste, cemeteries and car parking fees.
 - Proposals to reduce direct costs and generate more income were strongly supported (ranging from 72% to 93% support); with mixed views for proposals to increase direct costs.
- Comments raised via the survey suggest value for money continues to be important for residents, along with the provision of high quality services. Some respondents expressed that further savings should be made before costs are increased. While views are mixed as to where the Council should prioritise its focus, a number of responses highlighted the need to consider the 'knock on' impacts of any choices.

9.2 Assessment of Equality Implications - details are set out at Annex 6 of the final Budget report.

End.