

## **Minute from Overview & Scrutiny Meeting on 6 July 2023**

### **Medium Term Financial Plan 2024/25 to 2028/29**

Councillor James King, Executive Member for Corporate Policy and Resources, introduced the Medium Term Financial Plan 2024/25 to 2028/29 on behalf of Councillor Victor Lewanski, Executive Member for Finance, Governance & Organisation.

This latest Medium Term Financial Plan confirms that local government continues to face a challenging financial situation with continued uncertainty about the local government funding regime.

The one resource that the Council has available is time - if it is used productively. Once again, an early start has been made with the budget preparations for next year and work has continued on the Financial Sustainability Programme to deliver cost reduction and income generation initiatives over coming years.

The MTFP report sets out a detailed initial assessment of the key information that will be used for budget setting in 2024/25 onwards.

It includes a five year forecast for the budget gap that the Council will face, if action is not taken to reduce costs or increase income.

Work is now underway with officers to develop the detailed budget proposals for consideration by Executive in November and review by the O&S Scrutiny Panel.

An all-Member briefing has been arranged for 27 July to help explain the basis for the MTFP assumptions and forecasts. The Executive Member encouraged all Members to attend.

The Executive Member for Corporate Policy and Resources invited Members of Overview & Scrutiny Committee to provide feedback on the Medium Term Financial Plan and the options for addressing the forecast revenue budget challenges in 2024/25 onwards. The comments will be taken into account as work with officers continues on the budget proposals.

An advance question on this item had been submitted prior to the meeting. The advance question and its response can be viewed here:

[Document Advance Questions and Answers OS 6 July 2023 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The following clarifications were provided:

#### Service running costs

The Council's net budget had increased considerably in the last eight years due to several factors including an increase in staff headcount, pay cost inflation, breadth of services offered, increased responsibilities placed on local government, decreases in funding from Central Government, general expansion of Council service activity and the associated costs.

Members requested a summary of these changes to aid understanding of increased costs to be included in the Budget Scrutiny Panel papers.

It was confirmed that Management Team awaydays and Executive awaydays were all held in the Town Hall and were an important forum for detailed budget planning and discussion of options.

#### Financial Sustainability Programme

It was confirmed that details of the 2023/24 budget savings arising from the Financial Sustainability Programme were included in the February 2023 budget report to Council.

#### Fees and Charges

A more transparent policy was now in place for setting fees and charges as part of the budget decision making process and was open to debate and decision by Members. It was confirmed that increases in the fees and charges for 2024/25 had not yet been included in the MTFP forecast.

It was also confirmed that general inflation is not included in the forecast. If services identified a particular budget under pressure, for example an increase in a contract price, a request for budget growth could be submitted.

#### Risks and vulnerability

Recruitment and retention was a risk that was being addressed through succession planning, developing staff and identifying opportunities to share resources with other authorities.

There were two main areas of vulnerability to Government funding cuts: deletion of specific grants that help fund service delivery and a potential reduction in the proportion of business rates that the Council retains when planned funding reforms are introduced. Officers were constantly exploring opportunities for grants and funding. It was confirmed that the level of reserves did not affect the authority's ability to apply for grants.

The Chair asked that future updates include financial values for the ranges of possible impacts for the identified risks set out in section 15 of the MTFP.

**RESOLVED** that Overview and Scrutiny Committee:

Noted the report and made comments for consideration by the Executive.