

Overview and Scrutiny Committee – 25 January 2024

Draft Minute 60 – Summary of Budget Movements November 2023 to January 2024

In addition to the summary of budget movements November 2023 to January 2024 that had been published in an addendum to the agenda pack, an annex summarising budget movements in table form was tabled at the meeting.

The Chief Finance Officer confirmed that the budget for 2024/25 was balanced and provided an explanation of the figures set out in the annex.

In response to a Member question, the Chief Finance Officer confirmed that following the unexpected announcement of additional Government funding on 24 January 2024, it was not yet known how this would impact this Council. It was expected that confirmation of any additional funding from the Government would be confirmed in the Final Settlement announcement in early February and that this would be reflected in the recommendations to Council on 20 February 2024.

In response to a Member questions, the Chief Finance Officer confirmed that the IT Strategy Reserve had been established in parallel with approval of the IT Strategy in 2022 and was being used to fund one-off costs, such as migration of systems to the Cloud to strengthen business resilience.

With reference to the financial risks identified by the Budget Scrutiny Panel in November 2023, the following clarifications were provided:

- Inflation – CPI inflation forecasts had fallen since the peak of 10%. Inflation pressures remain a risk, but the Chief Finance Officer was content that the budget forecasts are reasonable and realistic with appropriate provision for forecast cost pressures.
- Car parking income – car parking income reduced significantly during the pandemic; however, this was no longer considered to be a risk and budgets had been re-baselined to reflect current demand since 2022/23.
- Homelessness demands – this remains a key concern. Government funding continues to be received and is relied upon to manage the costs. It was confirmed that from Quarter 3 2023/24 additional information about homelessness budget risks would be included in the quarterly reporting to Overview and Scrutiny Committee and Executive.
- Recyclate income – recyclate income remained volatile and is monitored closely. Government reforms to waste and recycling delivery are expected to bring changes to the Council's waste and recycling services, the costs of which are expected to be partially met by Government. Further updates will be reported to Executive when the details are confirmed.
- Harlequin income – The Head of Service confirmed that costs and income from the 2023 pantomime were currently being collated. The closure of the Harlequin had resulted in loss of income, but also a reduction in running costs. The outcome would be reported to Overview and Scrutiny Committee and Executive.

RESOLVED that the Overview and Scrutiny Committee:

- i) Considered the updated elements of the Budget 2024/25 and Capital Programme 2024 to 2027.
- ii) There were no recommendations made to the Executive.