

# APPENDIX 2: BUDGET UPDATE OVERVIEW & SCRUTINY

## Process So Far:

- Efficiency Plan agreed by DCLG
- 4 Year Budget Projections developed
- 4 Year Capital Programme
- Fees and Charges reviewed
  - to include areas where the Council can be more commercial in its approach – whilst ensuring facilities accessible to all of the community
- Budget Assumptions approved
- Autumn Statement – no detail given re New Homes Bonus or Business Rates
- Expected settlement figures 17-20<sup>th</sup> December

# Budget Savings

- Heads of Service reviewed all costs / income
- Reduced any budget that has not been spent in previous years to deliver service
- Identified areas of service review where savings could be made with no impact on delivery
- Identified areas of additional income achievable
- Ensured capital programme meets strategic purpose delivery
- Preparing plans for alternative service provision to be reported to January Executive

# Budget Pressures

- Heads of Service considered cost recovery of services delivered eg:
  - Pest Control free rat treatment to all residents of the Borough. Review underway as to the reduction in cost if only free to those on benefit
- Propose increases to budget based on current demand on service
  - Potential costs arising from the roll out of Universal Credit and the impact on families

# Current Position 2017/18-2019/20

	2017-18	2018-19	2019-20
	£000	£000	£000
Departmental Expenditure (Starting Position)	10,838	11,174	11,174
Incremental Progression/Inflation on Utilities	262	261	515
Unavoidables	203	184	268
Revenue Bids/Revenue impact of capital bids	85	9	5
Savings and Additional income	-848	-1,351	-1,367
<b>Net Service Expenditure</b>	<b>10,540</b>	<b>10,277</b>	<b>10,594</b>
Investment Income	-494	-495	-495
Cost of Borrowing	1,014	994	994
Recharge to Capital Programme	-505	-505	-505
<b>Net Operating Expenditure</b>	<b>10,555</b>	<b>10,271</b>	<b>10,588</b>

# Current Position 2017/18-2019/20

	2017-18	2018-19	2019-20
	£000	£000	£000
Revenue Support Grant	-363	-35	0
Transitional Grant	-44		
Business Rates Retention (Baseline Funding)	-2,059	-2,120	-2,187
Business Rates Growth	-50	-50	-50
New Homes Bonus	-1,313	-1,403	-1,403
Council Tax	-5,745	-5,953	-5,953
Admin Subsidy Grant Reduction	127	167	167
Parish Precept	8	8	8
<b>Funding Total</b>	<b>-9,439</b>	<b>-9,385</b>	<b>-9,086</b>
<b>Shortfall</b>	<b>1,116</b>	<b>885</b>	<b>1,502</b>

# Next Steps

- Settlement implications assessed
  - Full report to Exec & O&S in Jan
  - HRA and Capital report to Jan
  - Budget setting in Feb
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- Review of Balances
  - Staff suggestions being considered
  - All alternative delivery models / additional income being identified to balance the financial position