



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	COUNCIL – WEDNESDAY 28th FEBRUARY 2024
Subject	2024/25 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY
Wards affected	All
Accountable member	Cllr Alaric Smith Cabinet Member for Finance Email: alaric.smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Report author	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Summary/Purpose	To provide the proposed budget for 2024/25, whilst also considering approval for: <ol style="list-style-type: none">1) The draft base budgets for 2024/252) The Council's Capital Programme for 2024/25 to 2032/333) The level of Council Tax for 2024/254) The Medium Term Financial Strategy5) The Council's Financial Strategies6) Fees and Charges7) The Council's Pay Policy Statement
Annexes	Annex A - Details of Base Budget Changes by Service Area Annex B - Prior Year Comparison Annex C - MTFS 2024/25 Annex D - MTFS Graphs Annex E - Capital Programme 2024/25 Annex F - Council Tax Schedules 1-2 Annex G – Council Tax Schedule 3 Annex H – Council Tax Schedule 4 Annex I - Taxbase 2024/25 Annex J - Proposed Fees and Charges Annex K - Proposed Fees and Charges for Trade Waste (Exempt Annex) Annex L - Responses from the Annual Statutory Budget Consultation

	<p>Annex M – Council Pay Policy Statement Annex N – Capital Strategy Report Annex O – Investment Strategy Report Annex P – Treasury Strategy Report Annex Q – Summary of Prudential Indicators</p>
Recommendation(s)	<p>The Executive resolved to recommend to Council to approve:</p> <ol style="list-style-type: none"> 1. The General Fund revenue budgets as summarised in Annex B. 2. The updated Medium Term Financial Strategy in Annex C. 3. The Capital Programme for 2024/25 to 2032/33 as set out in Annex E. 4. Fees and charges for 2024/25, as detailed in Annex J and K. 5. The Council’s Pay Policy Statement as set out in Annex M. 6. The Council’s Capital Strategy as set out in Annex N 7. The Council’s Investment Strategy as set out in Annex O 8. The Council’s Treasury Strategy as set out In Annex P
Corporate priorities	<ul style="list-style-type: none"> • Working Together for West Oxfordshire
Key Decision	No
Exempt	No
Consultees/ Consultation	<p>Meetings with Assistant Directors, Business Managers, Interim S151 and Chief Accountant. Officers also met with key stakeholders from GLL and Ubico. The Council carried out the annual statutory budget consultation.</p>

1. OVERVIEW

- 1.1 The Council is required to set the budget for 2024/25 by 11th March 2024. The first draft of the 2024/25 budget was presented to the Executive on 13th December 2023, and updated versions on 17th January 2024 and 14th February 2024. This budget, submitted for approval by the Council, is a **surplus of £5,107**.
- 1.2 The revenue budget and the Medium Term Financial Strategy (MTFS) have been prepared against the backdrop of continuing pressure on the Council's finances, both from a softening in some income generating activities and the uncertainty around the timing of fundamental changes to Local Government Finance by central government. Originally these changes were due to be implemented in 2020, along with significant changes to the Retained Business Rates system, with the aim of addressing the cost pressures of Adult Social Care in the sector.
- 1.3 The risk posed in the later years of the MTFS from central government funding changes is the most significant the authority faces to a sustainable financial future as the impact of these changes cannot yet be quantified with any certainty.
- 1.4 For the purposes of the MTFS it has been assumed that there will be a 37.5% reduction in the level of retained Business Rates income from 2026/27 and that the government will provide interim compensation funding to dampen the impact of the changes over the first 3 years. However, it must be emphasised that there is currently no commitment from the government to do so.

2. BACKGROUND

- 2.1 In year reporting is forecasting an overspend this financial year of £433,041 over and above the approved deficit budget of £350,129, mainly driven by Investment Property, the Waste contract and some fee generating services.
- 2.2 This draft of the 2024/25 budget, is a **surplus of £5,107**, with the picture from 2025/26 onwards becoming less optimistic with an increasing reliance on the use of reserves to fund front line services and the difficulty in identifying new, sustainable income streams.
- 2.3 While the reserves position for the Council is currently relatively healthy, there remains a financial gap which unless resolved could significantly reduce the general fund reserves over the life of the MTFS.
- 2.4 Single year settlements have exacerbated the financial strain on the Council, restricting our ability to confidently plan for more than one year in advance. Added to the long running uncertainty over the timing of the Business Rates reset, which has been delayed since 2020, and the phasing out of New Homes Bonus, this makes our funding assumptions speculative.
- 2.5 Unavoidable budget pressures, such as general and wage inflation, waste & recycling costs put additional strain on our financial position which we will struggle to offset with ongoing savings or additional income generation.
- 2.6 The Publica review has added a significant element of uncertainty around the financial impact of returning the majority of services back to the Council in terms of both one off and

ongoing costs. Initially one off costs will be funded from earmarked reserves and ongoing costs will be included in the 2025/26 base budget.

- 2.7 The use of reserves to manage short term fluctuations in the Council's financial position is necessary but cannot be sustained over the longer term where the significant budget gap, over a number of years, will exhaust these reserves.

3. ECONOMIC ENVIRONMENT

- 3.1 The Local Government Association (LGA), in their letter to Jeremy Hunt on 13th October 2023 referred to the "intense financial pressure" that councils are under and the "ongoing inflationary and pay pressures alongside spiking demand and market challenges This is happening at a time of low financial resilience across the sector following a 27.0 per cent real-terms reduction in core spending power since 2010/11."
- 3.2 This view of the financial challenges facing councils is reflected in the number of recent s114 notices which have been issued, not all of which can be attributed to decisions made by the management in these Councils. The latest being Nottingham City Council on 29th November 2023.
- 3.3 The last decade has seen a reduction in core funding for Councils. Single year settlements and uncertainty about the timing and impact of the proposed local government finance reforms creates an ever more challenging financial environment. The prospect of a general election in 2024 may further delay these reforms.
- 3.4 Interest rates and inflation have been higher than budgeted in the current year. Uncertainty about these continues and assumptions have been made about these for the 2024/25 budget and MTFS.

4. 2024/2025 LOCAL GOVERNMENT FUNDING SETTLEMENT

- 4.1 The provisional Local Government Funding Settlement was announced on 18th December 2023 with additional funding announced on 24th January 2024.
- 4.2 The December settlement was in line with the assumptions made for the first draft of the 2024/25 budget, taken to the Executive on 13th December 2023, as the settlement was in line with the Autumn Statement (22nd November 2023) and Policy Statement (5th December 2023).
- 4.3 There is an 8.8% increase in funding from 2023/24 to 2024/25 (assuming a £5 increase in the Council Tax is enacted) from Council Tax, Business Rates and Government funding.
- 4.4 There is a significant reduction in the New Homes Bonus, compared to assumptions made for the first draft of this budget, which is temporarily offset by an increase in the funding guarantee. See table below for the funding assumed in the MTFS taken to the Executive in December and the final funding amounts.

MTFS Line item	December MTFS	Final Settlement	Difference
	£	£	£
Revenue Support Grant	230,000	230,095	95
New Homes Bonus	1,579,635	1,009,640	(569,995)
Funding Guarantee	963,864	1,683,079	719,215
Rural & Services Grant	221,000	186,066	(34,934)

- 4.5 There were no changes to the Band D Council Tax Referendum thresholds of £5 or 2.99%, whichever is the higher.
- 4.6 As this was the effectively the second year of a two-year settlement, the key uncertainties around future funding still exist. With the prospect of significant cuts in funding from the local share of business rates and other funding streams, medium- and longer-term financial planning is extremely difficult.
- 4.7 This report provides details of the funding settlements and the assumptions made for both the revenue budget and the Medium-Term Financial Strategy (MTFS) including the current drivers of growth.
- 4.8 The draft local government settlement has been published and the final retained Business Rates income has been calculated ready for submission to the Department for Levelling Up, Housing and Communities (DLUHC) on 31st January. The budget for 2024/25 is therefore not subject to any further change.

5. 2024/2025 BUDGET ASSUMPTIONS

- 5.1 The 2024/25 budget setting process has been informed by the financial performance in the current year and the key drivers of variances to budget year to date in 2023/24.
- 5.2 The tables below show the key changes to the budget and expected funding that have changed the £350,129 deficit in 2023/24 to a **£5,107 surplus** budget in 2024/25. In the income and expenditure sections of the budget a negative figure represents a saving and a positive figure additional expenditure. In the funding section, a negative figure represents an increase in funding and vice versa.

TABLE I

2023/24 budget deficit		350,129
Budget Movements	£	£
<u>Changes in expenditure</u>		
Reversal of one off items from 23/24	(1,116,591)	
Publica Review estimate of ongoing pension costs	75,000	
Publica Review one off costs	200,000	
Retained Staff	90,650	

Closure of Elmfield as an operational building	(97,625)	
External Audit fees	132,375	
Marriotts service charges	34,910	
Secondary pension contribution	96,900	
Budget Manager Review	(38,305)	
Publica contract growth	647,452	
Ubico contract growth	826,014	
Additional Legal fees for Planning Appeals/Inquiries	90,000	
		940,780
<u>Changes in income</u>		
Between Towns Road development opportunity	452,037	
Additional Planning Application income	(181,800)	
Investment Property voids	323,850	
Land Charges, Building Control and Stray Dogs fees	176,072	
Green Waste licences - subject to Portfolio holder approval	(165,000)	
Investment Property rent free periods	351,608	
Homelessness Hostels	(43,240)	
Reduction in loss of Housing Benefit subsidy for temp accommodation	(140,846)	
GLL contract income	(449,171)	
		323,510
<u>Changes in funding</u>		
Minimum Reserves Provision movement	(186,775)	
Earmarked reserves funding posts & Publica review one off costs	(807,996)	
Reverse Investment Recovery projected income in 23/24 base	175,000	
Reduction in external borrowing costs	(432,950)	
Council Tax reduction in surplus	75,000	
Treasury Management income	(54,000)	
Council Tax	(330,194)	
Provisional government funding assumptions	(52,504)	
		(1,614,419)
2024/25 DRAFT BUDGET		(0)

TABLE 2

Budget deficit presented to the Executive in December 2023	(0)	
Budget Movements since presentation to Executive	£	£
<u>Revenue Changes</u>		
Legal Services review	74,678	
Fees & Charges	(52,284)	
2 Year Economic Development Post	30,579	52,973
<u>Funding Changes</u>		
Local Government Funding Settlement	(5,129)	
Earmarked Reserves funding Economic Development post	(30,579)	
Council Tax surplus	(31,935)	
		<u>(67,643)</u>
2024/25 REVISED DRAFT BUDGET		(14,670)

TABLE 3

Budgeted surplus presented to Executive in January 2024	(14,670)	
Budget Movements since January presentation	£	£
<u>Revenue Changes</u>		
Secondary pension contribution	20,000	
Climate Change Officer post	33,143	
Overhead charges to Publica	61,212	
Ill Health Insurance	4,981	119,336
<u>Funding Changes</u>		
Reduction in external borrowing costs	(10,325)	
Rural Services Delivery Grant additional settlement	(9,853)	
Funding Guarantee Grant additional settlement	(85,742)	
Services Grant	(13,657)	
Earmarked Reserves funding Climate Change post	(33,143)	
Business Rates	42,947	
		<u>(109,773)</u>
2024/25 BUDGET		(5,107)

5.3 The key changes to the budget from 2023/24 to 2024/25 are as follows:

- The reversal of one-off growth items in 2023/24 which includes the contingency against leisure contract income and the budgeted movement to and from earmarked reserves. Earmarked reserve movements are recalculated every year and are used to fund posts that have been agreed by the Executive in prior years.
- Estimated one off costs of £200,000 associated with the Publica Review have been included to cover external consultancy in the areas of HR, TUPE, Project Management, Legal and Finance, with an additional £75,000 for the ongoing additional pension costs estimated in the Human Engine Report, based on an estimated phase one completion in Q3 of 2024/25.
- Publica contract growth is included in the budget at 5% pay inflation, agreed across the Publica partnership Councils, as an indicative figure in advance of a more developed transition plan becoming available. When more information is available around the timing and structure of phase one of the TUPE of staff back to the Council, these costs will transfer from the Publica contract to the Council's retained staff budget line.
- Extensive work has been undertaken with Ubico on how to most efficiently, effectively and sustainably deliver the Waste Service over the next decade. The growth included in the 2024/25 budget represents wage inflation and the unavoidable impact of the proposed capital fleet replacement programme which will go forward to Members for approval in February 2024.
- For context there are 25 waste and recycling lorries coming to the end of their economic life in 2024, plus 6 ancillary vehicles. A phased replacement programme will allow the Council to take advantage of new technologies as they mature and become more reliable in the next two to three years. Spreading the cost over the next three to four years limits the amount of external borrowing needed at the current higher interest rates. In 2024/25 it is anticipated that the Council will purchase 6 replacement waste vehicles with the remainder of the fleet brought in through contract hire arrangements.
- The revenue costs of the Ubico contract will fall by an estimated £350,000 in 2025/26 as hire vehicles are replaced and repair costs of the existing end of life fleet fall.
- Public Sector Audit Appointments (PSAA) is tasked with appointing external auditors, consulting on and setting the external audit scale fee that is charged to Public Bodies. The PSAA have recognised the increased volume of work required to provide assurance in Local Government audits and has increased the scale fee by 151%.
- Between Towns Road is now empty but discussions have started with a potential partner to investigate the redevelopment of the site to provide temporary emergency accommodation. Whilst these discussions are underway and until development plans are finalised it is expected that the property will remain void

throughout 2024/25 with a loss of rental income of £350,000 and additional costs associated with Business Rates liability and making sure the building remains secure.

- An Investment Property portfolio has a natural cycle of voids and rent free periods as tenants move in and out of properties. It is now commonplace that tenants negotiate an initial rent free period at the start of their lease term. A six month rent free period will reduce our income over the course of a 15 year lease by less than 4%.

The revenue budget includes the income foregone for all existing rent free periods in effect into 2024/25 and the expected voids. Rather than calculate voids on a percentage basis over the entire portfolio, it is analysed on a per property basis. These figures will change year on year, with overall income increasing year on year as more voids are tenanted over the next couple of years with either 10 or 15 leases.

- It is proposed that the annual Green Waste licence charge be increased by £5 to £50. A benchmarking exercise on 10 neighbouring Councils shows an average green waste licence cost in 2023/24 of £54.09.
- Fees & charges are reviewed each year on a cost recovery basis and also assessed on whether the income budget is achievable. Land Charges and Building Control have been consistently below their income budget for some years and therefore have been reduced to an achievable level.

The reasons for the fall in income in both areas has been consistently reported in the quarterly budget monitoring reports over the last three years. Unfortunately, remedial action to recover market share has not been successful.

- The budget has been updated to include the full contractual income from the leisure contract net of a contingency of 10%. Discussions are ongoing with our leisure provider to maximise the benefits of the contract for both parties and to ensure the viability of this contract in the future.
- The prohibitive cost of capital has brought the Investment Recovery strategy to a halt for now due to the lack of available opportunities which meet the Council's agreed criteria. The one potential project currently being investigated is the redevelopment of Between Towns Road. The 2023/24 budget assumed a level of Investment Recovery activity that will no longer be achieved with the resultant reduction in both MRP and external borrowing costs in 2024/25.
- The approval by the Executive in October to recruit an additional finance officer in the Homelessness team is expected to reduce our loss of Housing Benefit subsidy on temporary accommodation by £140,000 a year.
- The government announced that there will be a 35% rise in planning fees for major applications and a 25% rise for all other applications from 6th December 2023.
- It is proposed that Council Tax increases by the maximum amount of £5 on a Band D property.
- The following growth requests were not included in the first draft of the budget:

- i) Posts and case management system resulting from the review of the Legal Service paper approved by the Executive on 13th December meeting (see Table 2 above).
- ii) Economic Development Team Assistant – two-year fixed term post funded by earmarked reserves (see Table 2 above)
- iii) Climate Change Officer (see Table 3 above)
- Overhead charges to Publica have been reduced by £61,212 due to all staff moving out of the Elmfield office.
- Actuaries for the Local Government Pension Scheme (LGPS) carry out a triennial revaluation of the fund and set the secondary pension contribution required by the Council to keep the scheme fully funded against past and future liabilities.

6. MEDIUM TERM FINANCIAL STRATEGY ASSUMPTIONS

- 6.1** The timing and impact of local government reforms makes the development of an MTFS a challenging exercise with single year funding settlements adding to the uncertainty in future years.
- 6.2** The MTFS (Annex C) assumes that New Homes Bonus will be paid for the last time in 2024/25 with an assumption that some kind of replacement funding will be rolled into the Settlement Funding Assessment (SFA) in 2025/26.
- 6.3** The business rates reset, delayed since 2020, is forecast to take place in 2026/27 with a possible 37.5% reduction in business rates income as a result as retained business rates are reduced to the baseline funding level.
- 6.4** The MTFS assumes a general inflationary increase of between 4% and 2% will apply to cost of services from 2025/26 onwards, excluding contracts where the actual inflationary increase is known i.e. Ubico contract, salary inflation, Publica contract and some software licence agreements.
- 6.5** Salary inflation over the last 3 years has been higher than we have historically estimated. For 2024/25 there is an assumed 5% increase, but this is expected to fall back over the life of the MTFS.
- 6.6** A Transformation Group has been established to help steer the Council's response to the challenging financial environment, guide the preparation of a sustainable MTFS consistent with the Council Plan, and oversee the delivery of the Council's work programme in terms of service transformation, investment and revenue generation.
- 6.7** This Council, like all local authorities, is facing external budget pressures that will impact the MTFS. Energy prices, inflation and interest rates have all had a significant impact on the financial performance in the current year and will continue to do so in the coming years.
- 6.8** The MTFS is based on the most reasonable forecasts of income and expenditure that can be inferred at this point in time.

7. FEES AND CHARGES

7.1 Fees and charges are set on three separate bases.

- Fees that are set centrally over which the Council has no control i.e. premises licences and penalty notices.
- Fees that are set on a cost recovery basis i.e. Building Control, taxi licences and Street Trading. The Council is required to make sure that fees are set at a level that does not generate a profit compared to the cost of providing the service.
- Fees that are discretionary where the Council has full control. These are the commercial services that operate where the Council is in competition with the private sector i.e. Pre Application (Planning) advice, pest control, trade waste, bulky waste and green waste.

7.2 For the setting of the 2024/25 draft budget a comprehensive review has been undertaken to analyse the fees set on a cost recovery basis. As a result Land Charges and Water Sampling fees will increase by 6.7%

7.3 The government announced an increase in Planning Application fees from 6th December 2023 of 25% and an increase of 35% for major applications. This has increased our budgeted income for 2024/25 by £182,000.

7.4 Other fee generating services i.e. food safety, private water supply testing and licences (excluding premises) were found to be under recovering their costs and therefore the fees have been uplifted as detailed in Annex G.

7.5 A new charging regime for Pre Application Planning Advice is being introduced in 2024/25 which builds on intelligence gathered from a similar exercise undertaken by one of our Publica partner Councils in 2022/23. This regime should provide a modest increase in fee income of £15,000 and will cover the costs of delivering the service.

7.6 Green Waste licences are to increase by £5, generating expected additional income of £165,000. This new licence charge of £50 compares to the average cost across 10 neighbouring Councils of £54.09 in 2023/24.

8. CAPITAL PROGRAMME

8.1 The outturn report for 2023/24 will identify any capital slippage which is requested to go forward into 2024/25. So far this year, there has been significantly lower capital expenditure than was anticipated, due to a lack of viable investment projects given the increase in interest rates.

8.2 A detailed review of the capital programme has been carried out during the 2024/25 budget process. The draft Capital Programme is attached in Annex E.

8.3 The main programmes are the proposed Ubico vehicle replacement strategy, decarbonisation of Council buildings and solar PV schemes.

- 8.4 A Strategic Housing Development & Enabling Manager is included in the revenue budget for 2024/25 and this post will inform a strategic housing capital programme in 2025/26 and beyond.
- 8.5 Similarly, the Transformation Group is reviewing the council's Asset Management Strategy and this work will identify areas of capital spend in future years.
- 8.6 As always, inclusion in the Capital Programme at this stage does not mean that the expenditure is authorised. Identifying the possible spend, and including it in the Capital Programme, ensures that potential borrowing requirements are identified. In most cases, a business case would still need to be prepared and brought forward for review.
- 8.7 The Council has engaged with the Salix on potential decarbonisation programmes for both Witney and Carterton Leisure Centres.

9. RISKS AND MITIGATION

9.1 Local Government Funding

As highlighted earlier in this report, the uncertainty around local government funding from 2026/27 onwards poses a significant risk to the financial sustainability of this and many other Councils due to the reliance on general fund reserves to meet increasing budget gaps. In July 2022/23 the Executive approved the setting up of a specific budget deficit earmarked reserve to reduce the budget gap over the life of the MTFs and it would be prudent to continue to build up this earmarked reserve until the long term impact of funding changes can be accurately assessed.

9.2 Statutory Override for Financial Instruments

The statutory override for Financial Instruments (pooled funds), which requires fair value gains and losses to be taken to an unusable reserve unless the fund is sold, is set to end in 2025/26. The ending of the override would require any gains and losses to be recognised in revenue thus having an impact on our revenue budget. Unrealised losses would reduce available resource to fund core services, while unrealised gains would not represent genuine resource increases that could be utilised.

Our Pooled funds currently have a capital value below their purchase price because of changes in global economic conditions over the last 18 months with rising interest rates and high inflation. We have seen capital values start to recover throughout Q3 with our treasury advisors projecting a full recovery over the next 18 months to 2 years, barring any further economic turbulence.

Any unrealised loss would have to be moved to the General Fund in 2025/26 if the statutory override is not extended and capital values have not fully recovered. It is therefore advised, by our Treasury advisors Arlingclose, that it would be prudent to create an earmarked reserve to smooth out the impact of any such unrealised gains or losses that will have to be accounted for through the General Fund.

9.3 Publica Review

The return of a majority of staff and services to the Council from Publica will of course have a material impact on the revenue budget over the life of the MTFs. In the next 2 years there will inevitably be one off costs relating to the transfer of services but it is not yet known what the full financial impact will be after the transfer is complete. The partner Councils and Publica are at the early stages of the due diligence and planning of the project with more detailed financial information coming forward later in the year. For this reason, the MTFs has been prepared on the basis that employee costs remain within Publica in 2024/25 with a transfer to the Council of expected wage inflation in 2025/26.

The Executive have already approved the use of £200,000 of earmarked reserves for the initial project team set up costs and for external legal and HR advice. As and when more detailed costings become available the requirement for the use of earmarked reserves will be identified.

9.4 Investment Property

Investment Property income is a vital revenue stream to fund front line Council services. The variance to income budget this year is mainly driven by void units in Marriotts, Talisman and Des Roches and the delay in renting out Elmfield. A number of void units have been let during 2023 and positive negotiations are nearing completion with a few possible tenants for Marriotts, subject to Executive approval.

The success of reletting void units comes with the industry standard of an initial rent free period, which over the course of a 10 or 15 year lease represents foregone income forof 3.33% to 5%. Income budgets for 2024/25 have been recast on a property by property basis, taking into account any active rent free periods and any known voids. The most significant void property is the office block at Between Towns Road, let to Oxfordshire County Council until November 2023. In the post pandemic era, the rise of hybrid working has significantly reduced the market demand for large office premises and it is extremely unlikely we would be able to find another tenant.

The Council has entered into discussions with a partner to understand the feasibility of redeveloping the site for the provision of temporary emergency accommodation. As these negotiations mature, a report will come forward to the Executive but this is expected to take some time. For the 2024/25 budget it has been assumed that the building will be empty and the Council will forego £350,000 of rental income and take on the liability of Business Rates and costs to keep the building secure.

The 2024/25 budget assumes rental income from Investment Property of £3.6m with an additional rental income of £1.2m from Marriotts. Marriotts is not classified as an Investment Property as it was bought with the primary objective of regeneration, protecting the High Street and supporting the economic development of the whole of Witney.

Given the natural cycle of voids and rent free periods, it is recommended that an Investment Property reserve is set up to augment the revenue outturn position and reduce reliance on general fund reserves in years where there is significant impact on the revenue budget from voids.

9.5 Reserves and balances

The S151 Officer has undertaken a review of reserves and balances during the budget setting process and has determined that it would be possible and prudent to repurpose some of our existing earmarked reserves which are no longer needed i.e. the Covid reserve, to fund the four specific risk reserves discussed above.

As more information is available around these specific risks, the MTFS and earmarked reserves will be reviewed to ensure that the General Fund balance does not fall below a level deemed safe by the S151 Officer in order to continue to be able to set an annual budget.

10. BUDGET CONSULTATION

- 10.1 The Council's budget consultation, via the online engagement platform CitizenLab, ran from 13th November to 18th December 2023.
- 10.2 The Council used a wide range of communication channels to promote the consultation including media engagement, social media, website, stakeholders and newsletters.
- 10.3 A total of 377 responses (308 for 2023/24) were received as a result of this consultation. Respondents were requested to rank the services provided with 1 being the most important and 10 being the service considered the least important. The responses are summarised in Annex J in order of their importance to residents.

11. CONCLUSIONS

- 11.1 This final version of the budget is a **surplus of £5,107**.
- 11.2 There are significant pressures on the Council's current 2023/24 budget which may mean that the general fund balances will be called upon in the current financial year to bridge the gap.
- 11.3 There are continued uncertainties and cost pressures, as detailed in this report, that will have an impact on the 2024/25 budget and the medium-term strategy.
- 11.4 The Council will need to set realistic budgets, balancing current need and future financial stability, to ensure that adequate reserves are maintained over the medium term.

12. FINANCIAL IMPLICATIONS

- 12.1 There are no financial implications arising from this paper as it outlines the approach and context of the 2024/25 budget setting process.

13. LEGAL IMPLICATIONS

13.1 Apart from the statutory duties and obligations set out in this report, with regards to budget setting process, there are no further implications.

14. RISK ASSESSMENT

14.1 None required as a result of the content of this report.

15. EQUALITIES IMPACT

15.1 No direct equalities impact with regards to the content of this report.

16. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

16.1 None.

17. BACKGROUND PAPERS

Budget papers – February 2023, December 2023 and January 2024.

(END)