

Detail of base budget changes by cost centre

Annex A

| | 2022/23 budget | Pay inflation | Reverse one offs | Budget change | 2023/24 budget | 2021/2022 Actual | 2022/2023 Budget | 2023/2024 Estimate |
|-----------------------------|-------------------|---------------|---------------------|------------------|-------------------|---------------------|---------------------|-----------------------|
| Assets | (2,757,694) | 60,279 | | 15,084 | (2,682,331) | (2,710,662) | (2,757,694) | (2,682,331) |
| Waste & Environmental | 6,485,483 | 24,571 | | 572,663 | 7,082,716 | 5,984,668 | 6,485,483 | 7,082,716 |
| Comms & Marketing | 165,158 | 11,539 | | 90 | 176,787 | 124,238 | 165,158 | 176,787 |
| Contracts | (255,532) | 13,780 | | 556,699 | 314,947 | 1,210,998 | (255,532) | 314,947 |
| Corporate Finance | 1,744,832 | 88,627 | | (273,938) | 1,559,521 | 1,674,062 | 1,744,832 | 1,559,521 |
| Corporate Responsibility | 1,482,436 | 45,795 | (97,000) | 201,162 | 1,632,393 | 1,213,109 | 1,482,436 | 1,632,393 |
| Customer Experience | 1,010,417 | 88,945 | | 36,879 | 1,136,241 | 813,585 | 1,010,417 | 1,136,241 |
| Development Management | 494,210 | 146,094 | | (15,143) | 625,162 | 323,187 | 494,210 | 625,162 |
| Env'l & Regulatory Services | 95,748 | 7,174 | | 10 | 102,932 | 91,563 | 95,748 | 102,932 |
| Finance | 750,015 | 43,282 | | 14,973 | 808,270 | 731,995 | 750,015 | 808,270 |
| Insight & Intelligence | 1,171,647 | 35,478 | (650,000) | 1,270 | 558,395 | 525,874 | 1,171,647 | 558,395 |
| Localities | 642,402 | 23,208 | | (24,389) | 641,221 | 553,527 | 642,402 | 641,221 |
| Operational Services | 1,241,235 | 124,683 | (25,000) | 334,352 | 1,675,271 | 1,460,770 | 1,241,235 | 1,675,271 |
| People | 276,205 | 19,725 | | | 295,931 | 265,112 | 276,205 | 295,931 |
| Technology | 1,180,850 | 93,103 | | 69,128 | 1,343,081 | 1,027,873 | 1,180,850 | 1,343,081 |
| | 13,727,413 | 826,285 | (772,000) | 1,488,840 | 15,270,538 | 13,289,897 | 13,727,413 | 15,270,538 |

Assets:

This budget covers our operational buildings, commercial properties and our climate change programme. The impact of rising utility costs in 2023/24 is estimated at £227,000 for our operational buildings which is in part offset by anticipated additional rental income of £112,000 (not full year) for our Elmfield offices from Q2 next year. Most of the payment plans for our Investment Property income, put into place during the pandemic have now come to an end with the staff in this department successfully recovering a significant amount of the deferred rent from 2020/21 & 2021/22 and now working with our credit controller to manage ongoing.

The Climate Change programme has benefited from significant investment in additional fixed term resource in the last two financial years in order to help deliver on the Council's Priorities. There is over £100,000 in earmarked reserves which will fund initiatives going forward.

Waste & Environmental:

This budget covers grounds maintenance and waste and contains large parts of the Ubico budget. Work is being carried out to develop a range of options to deliver long term revenue savings from the Waste Service to offset the unsustainable annual increases seen in the last 3 financial years. The income budget for Green Waste has been increased by £124,000 reflecting a proposed uplift of £5 in license fees for 2023/24.

The Ubico budget includes an increase of £754,000 for 2023/24. This figure reflects the general uplift in pay inflation in response to the cost of living crisis, the significant increase in fuel costs and other inflationary pressures around goods and services.

Communications and Marketing:

Individual Business Managers have input into their marketing spend but work directly with the specialists in the Comms team who bring their expertise to each task and find the most effective and cost efficient way to reach the largest number of people. It is a priority to increase our engagement with residents via Social Media as well as more traditional channels. There are no material changes to the 2023/24 budget.

Contracts:

The main item in this budget is the Leisure contract. The expected growth in budget comes from an income contingency offsetting 50% of the contracted Management Fee due for the year, shown in the table above. GLL, who have the contract to operate the Leisure Centres are doing their best to return to a profitable operation and the Council are contractually entitled to receive the full Management Fee, however the substantial rise in utility costs, estimated to be an increase of £620k since 2019 coupled with a huge drop in facility usage since the pandemic, is delaying that return to profitability which in turn jeopardises the viability of our leisure offering. Steps are being taken to reduce losses in the short to medium term while we work with GLL to try to stabilise and improve the situation. Leisure contract income forms a huge part of the Council's revenue and is a crucial source of income which underwrites other core activities. The current situation in this service area represents one of the largest ongoing threats to

Corporate Finance:

This section covers centralised services like Legal and Treasury. The large reduction in expenditure reflects the culmination of Fixed Term posts funded by grants or specific earmarked reserves and brought in to support the Council's Covid response which expire at the end of the 2022/23 financial year. There are no other significant changes in the 2023/24 budget.

Corporate Responsibility:

These are central governance costs, members costs, election costs etc. The one off adjustment in the table reflects the reversal of the interim Monitoring Officer post in the 2022/23 budget and the one off additional contribution to the CAB for their continued Covid response. The recurring growth in the table includes the creation of a new Strategic Director of Governance which will encompass the responsibilities of the Monitoring Officer on a permanent basis.

Customer Experience:

There are a variety of services contained in this area from Customer Services and Front of House to Homelessness.

Development Management:

Planning application, appeals, conservation and flood defence are covered by this budget which has seen a modest increase in both income and costs. There is a risk around Planning income in 2023/24 that the high cost of borrowing and level of inflation could delay both major and domestic applications coming forward until the economic situation is more certain. At this stage, the income budget has been retained at the same level as 2022/23 but this may change in the final version of the budget as more intelligence is gathered.

Environmental and Regulatory Services:

There are no significant changes to highlight in this budget although a growth request has been put forward for additional resource.

Finance:

There are no significant changes to highlight in this budget although a growth request has been put forward for additional resource.

Insight and Intelligence:

The main focus of this budget is planning policy. The review of the Local Plan is underway and will finish in 2023/24. £650,000 was included in the base budget in 2022/23 to fund this extensive piece of work plus an additional £100,000 put into earmarked reserves from the General Fund surplus last financial year. While the £650k is no longer part of the base budget and the reversal of the one off growth item can be seen in the table. Unspent funds from the 2022/23 allocation will be available to spend on this next year with additional requests expected next year and the year after. The increased estimated cost to complete the work is mainly driven by the breakdown of the joint Oxfordshire plan which means that more work will have to be done by individual Councils.

Localities:

These are the budgets for communities, arts and tourism. There is a fixed term contract post that is coming to an end at the beginning of 2023/24 but there are no other material changes to this budget.

Operational Services:

This department covers all aspects of benefit payments and revenue collection, including fraud investigation. It also covers Car Parking, Pollution Control, Food Safety and Markets. There are a number of modest revenue savings that have been identified and removed from legacy budget lines. There is material growth in this budget from the transfer of On Street Parking Enforcement to Oxfordshire County Council on 1st April 2023 with a loss of budgeted income to this Council of £169,000. We anticipate a saving in the Publica resource budget to partially offset this as fewer wardens will be required going forward.

People:

People covers human resources and training. There are no significant changes to highlight in this budget although a growth request for additional funding has been received.

Technology:

This budget predominantly covers ICT. There are increases in software licence support & maintenance to reflect the current market rate increases, which are linked to inflation. These rises have been deferred and negotiated down where possible and, as much as we can, we've found or generated savings to offset them. Additional cyber security protection is required to increase the Council's resilience and is included in the base budget as part of the software licence support costs.