



PRESENTATION PROVIDED AT THE MEETING

Budget and Performance Panel

Wednesday, 6th July 2022

The attached presentation was provided at the meeting:

6	2 - 13	FINANCIAL OVERVIEW AND STRATEGIC DIRECTION
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Financial Overview and Strategic Direction

Caroline Jackson	Leader of the Council
Anne Whitehead	Cabinet Member for Finance and Resources
Mark Davies	Chief Executive
Paul Thompson	Chief Finance Officer

General Fund Revenue Budget Projections 2022/23 to 2025/26

For Consideration by Council 23 February 2022

	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000
Revenue Budget/Forecast as at 24 February 2021	21,110	23,550	24,400	24,400
Base Budget Changes				
Operational Changes	1,478	1,243	1,454	1,586
Additional Inflationary Pressure	67	117	179	791
Latest Budgetary Position	22,655	24,910	26,033	26,777
Outcomes Based Resourcing Proposals:				
Savings Proposals	(180)	(212)	(222)	(230)
Additional Resource Requirements	690	842	803	806
Income Generation Proposals	(840)	(1,112)	(1,068)	(1,074)
Revenue Impact of Capital Programme Review	(1,505)	(1,742)	(1,751)	(1,297)
Contribution to/(from) Collection Fund Reserves	400	(743)	(316)	(216)
Contribution to/(from) Unallocated Reserve	34			
General Fund Revenue Budget	21,254	21,943	23,479	24,766
Core Funding:				
Revenue Support Grant	(212)			
Additional New Homes Bonus	(42)	(42)	(42)	(42)
Supplementary Government Grants	(652)	(652)	(652)	(652)
Prior Year Council Tax Surplus	(66)			
Net Business Rates Income	(10,106)	(8,593)	(8,764)	(8,940)
Council Tax Requirement	10,176	12,656	14,021	15,132
Estimated Council Tax Income - (Increases based on £5 for 2022/23 then max allowable)	10,176	10,491	10,810	11,135
Resulting Base Budget (Surplus)/Deficit	0	2,165	3,211	3,997

BUDGET PROJECTIONS

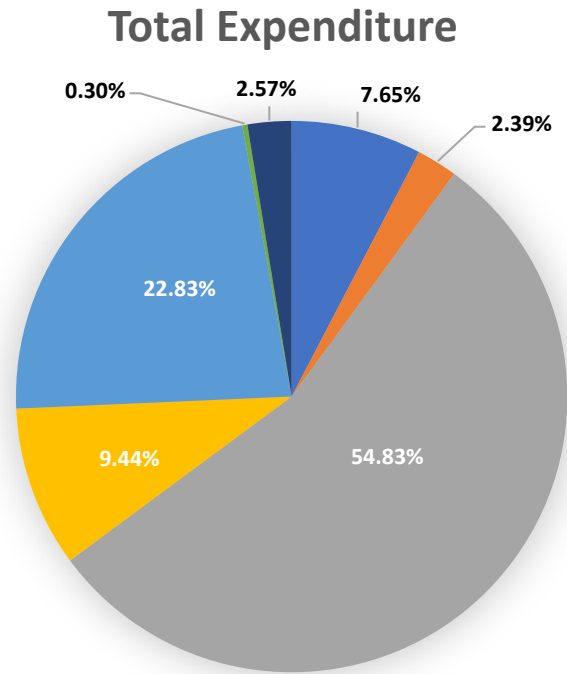
Revenue Budget

Year (£M)	Budget (£M)	Funding (£M)	Reserves (£M)	Gap (£M)
2022/23	21.254	20.352	+0.034	0.000
2023/24	21.943	19.778	0	2.165
2024/25	23.479	20.268	0	3.211
2025/26	24.766	20.769	0	3.997

2022/23 Budget Balanced
Increase in Income (Car Parking, Salt Ayre etc) & Reduction in the revenue cost of capital (Minimum Revenue Provision & Interest)

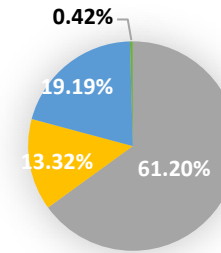
What does the budget consist of

Expenditure

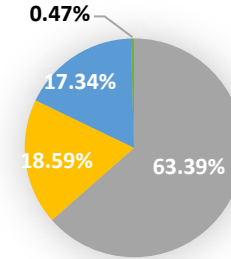


- Appropriations
- Capital Costs
- Employees
- Premises Related Exp
- Supplies and Services
- Support Services
- Transport Related Exp

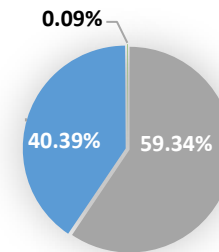
Communities & Environment



Econ Growth & Regen

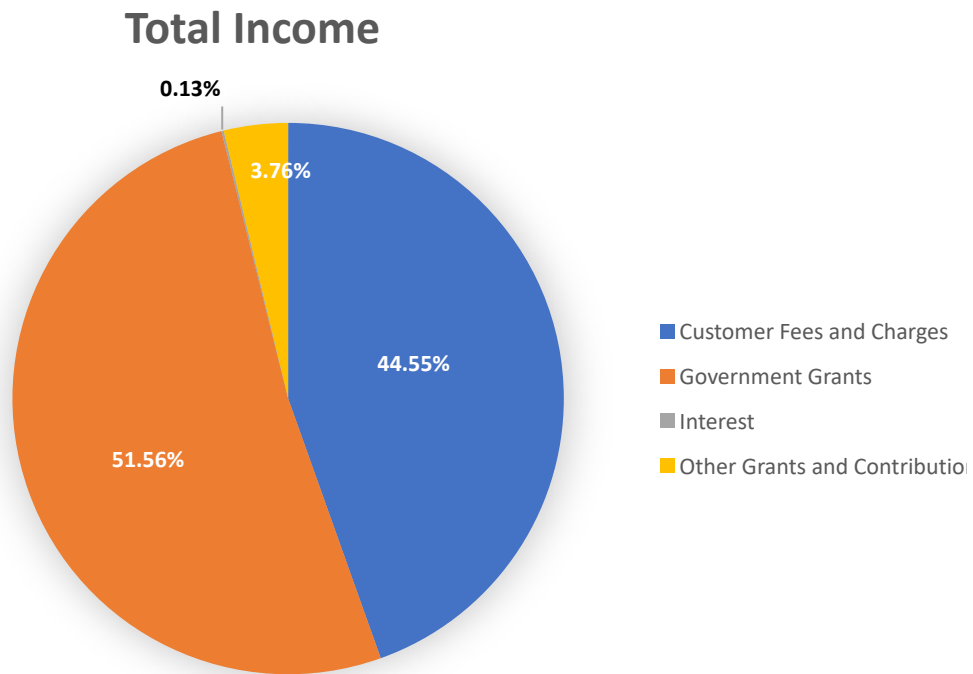


Corporate Services

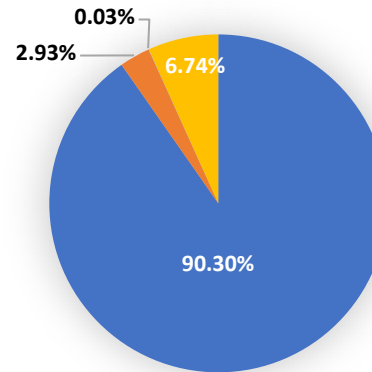


What does to the budget consist of

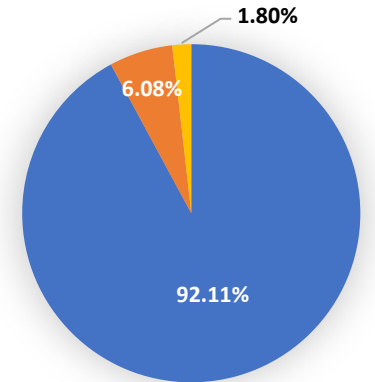
Income



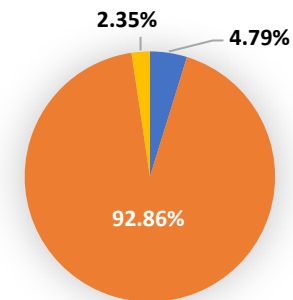
Communities & Environment



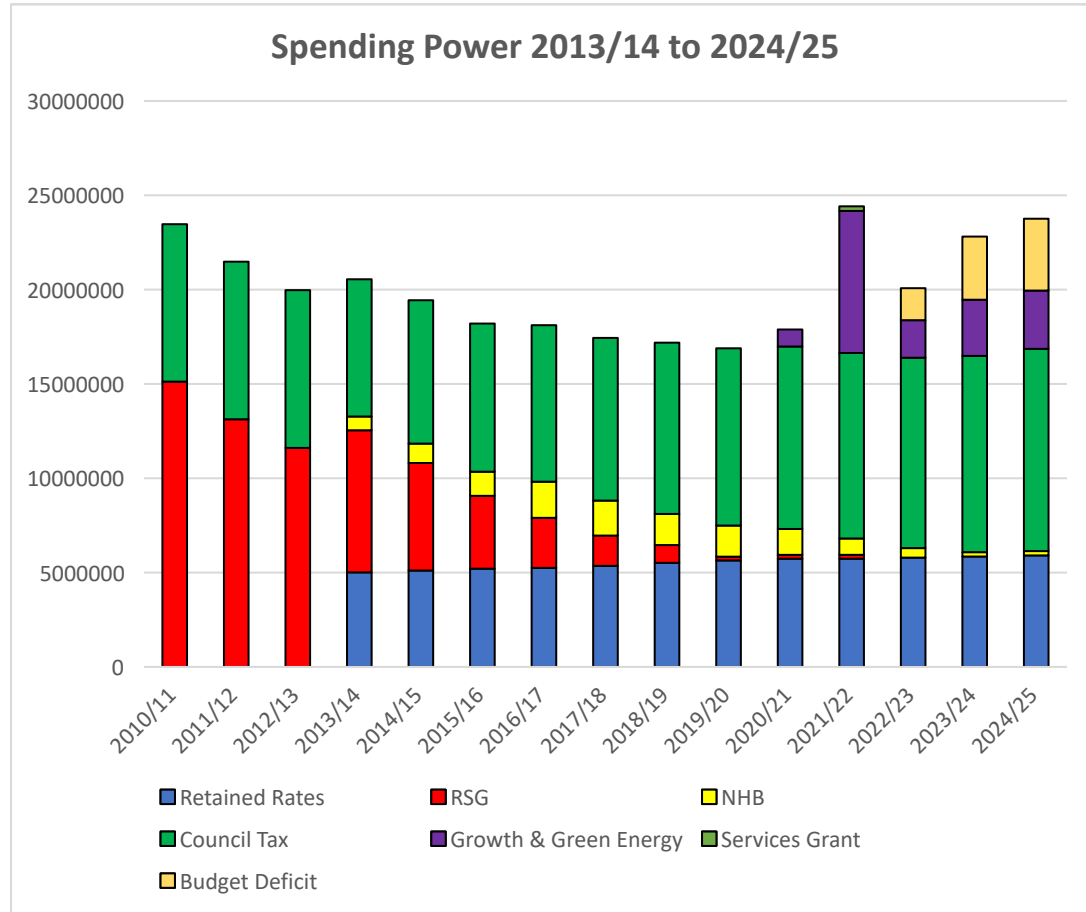
Econ Growth & Regen



Corporate Services



Spending Power



Move away from Government Grants

Increased reliance on

Council Tax

Business Rates

Green Energy Disregard

Pressures

- Gas & Electricity Increase - Overall c160%
- General Inflation Budgeted 3% - Currently 9.1%
- Pay Inflation Budgeted 2%
- Contract Price increases Capital Schemes – May need to borrow more
- Fuel Increase – Overall c50%
- Reserves Buys time
When they are gone they are gone

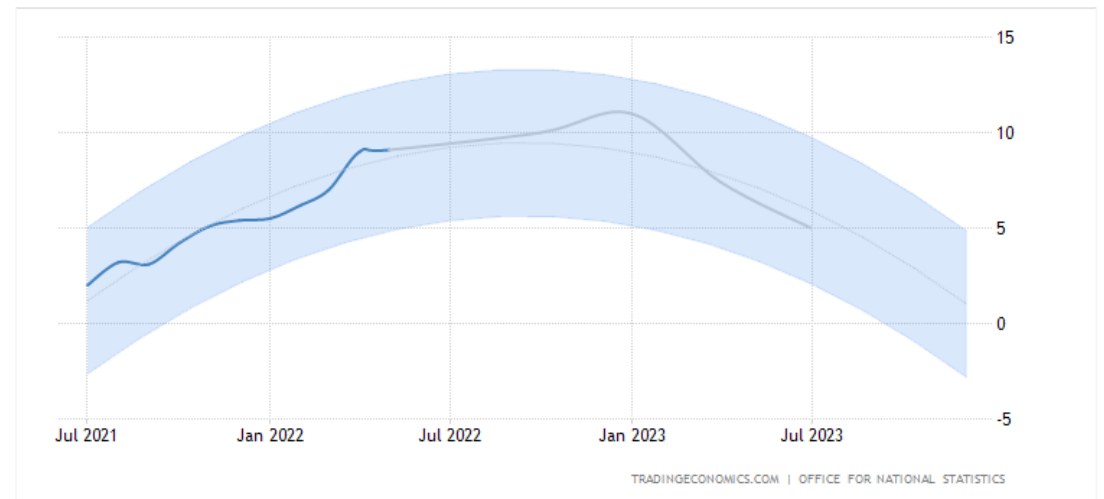
Wider Recession

Inflation

Current

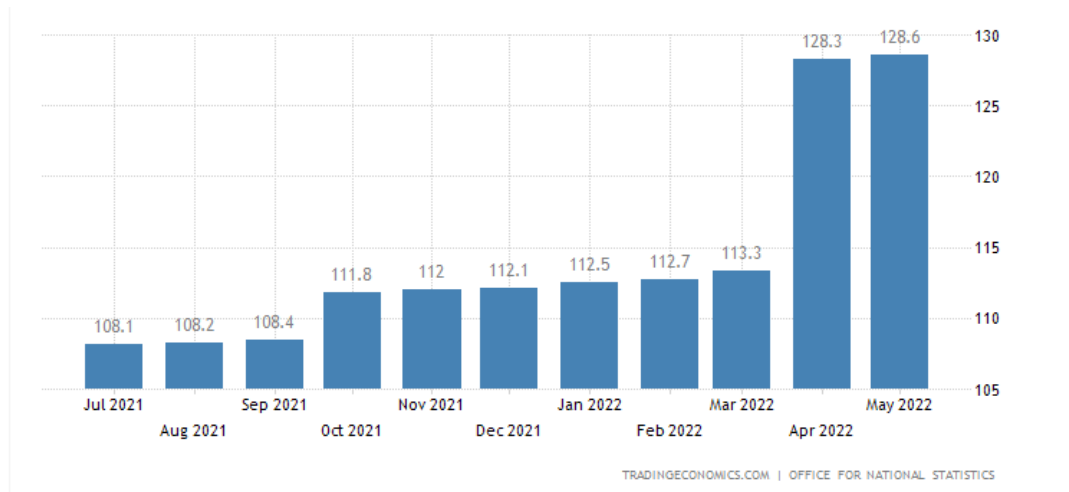


Forecast

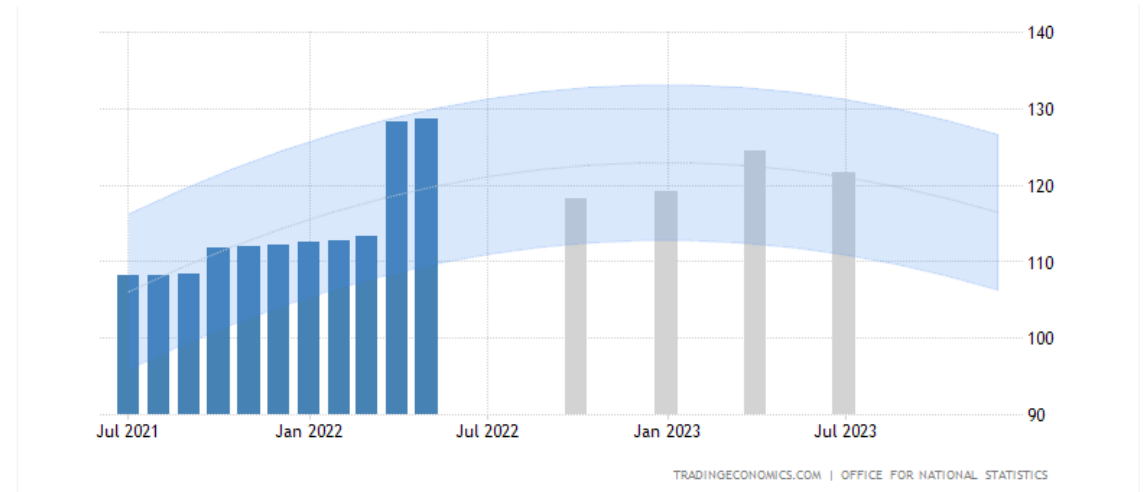


Utilities

Current



Forecast



Restrictions

Business Rates

H1 & H2 – Safety Net
Baseline Reset

CTAX

Referendum Limits 2% or £5

Government Funding

1 year deal

Fees & Charges Income

Inflationary rises

Commercial Investments Stopped

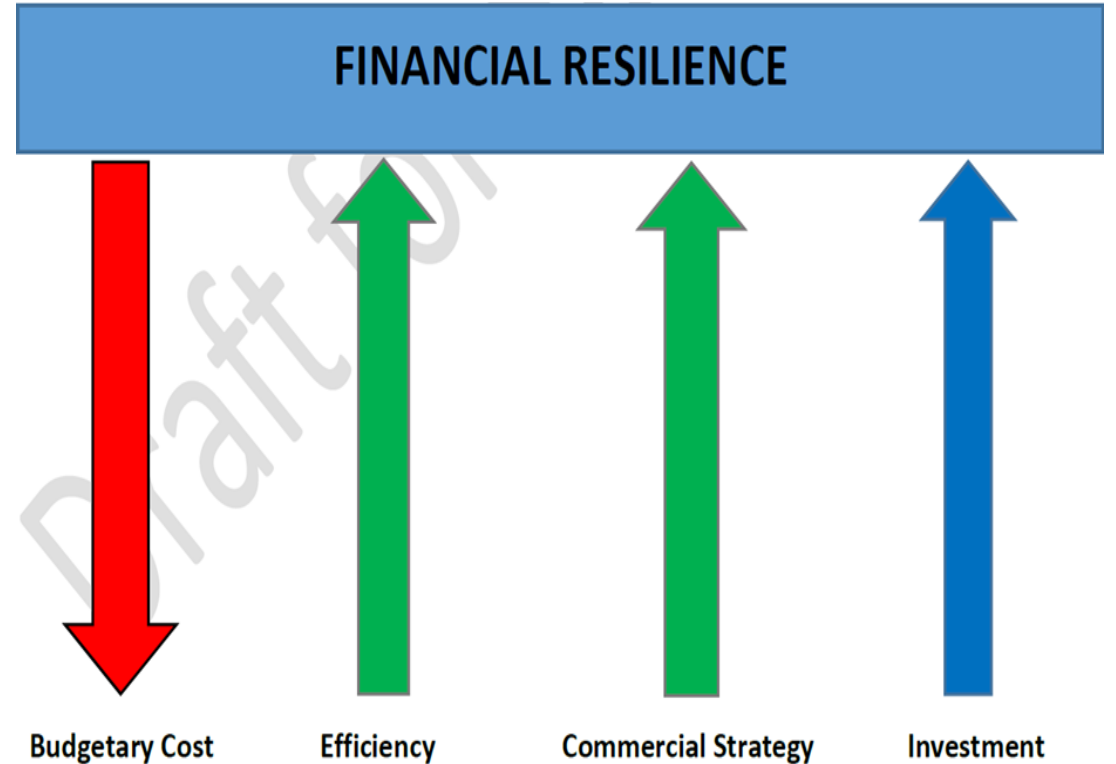
HMT November 2020

HMT Guidance – Core Services

Councils should focus on core services

What are we doing

- Outcomes Based Resourcing
 - Review of Base Budgets
 - Efficiency reviews
- Review of Reserves
- Asset Management Plan
- Review Capital Programme
- Revised Budget & MTFS
- Increased Consultation



Conclusion

All Councils are facing considerable financial pressures.

Future budgeting requires careful balancing of corporate priorities against resources available by prioritising local needs.

QUESTIONS