



**To: All Members of the Strategy and Resources Committee**

Dear Councillor,

**STRATEGY AND RESOURCES COMMITTEE - TUESDAY, 26TH JULY, 2022 , Council Chamber - Epsom Town Hall**

Please find attached the following document(s) for the meeting of the Strategy and Resources Committee to be held on Tuesday, 26th July, 2022.

8. **2023/24 STRATEGIC FINANCIAL PLANNING** (Pages 3 - 20)

This report provides an update on the Council's 2022/23 budget and recommends a financial planning approach for 2023/24 to 2025/26.

For further information, please contact Democratic Services, email: [democraticservices@epsom-ewell.gov.uk](mailto:democraticservices@epsom-ewell.gov.uk) or tel: 01372 732000

Yours sincerely

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Interim Chief Executive

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## STRATEGIC FINANCIAL PLANNING – 2023/24

<b>Head of Service:</b>	Brendan Bradley, Head of Finance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	1 – Rebasing Budgets Impacted by Covid-19 2 – 2023/24 Financial Planning Timetable 3 – Revenue Reserves Forecast

### Summary

This report provides an update on the Council's 2022/23 budget and recommends a financial planning approach for 2023/24 to 2025/26.

### Recommendation (s)

#### The Committee is asked to agree:

- (1) The proposed changes to 2022/23 budgets following the re-basing exercise, as set-out in section 5;
- (2) The proposed contingency funding for the homelessness service in 2022/23, as set-out in paragraph 5.5;
- (3) The proposed strategy for setting the 2023/24 budget in Section 6, including:
  - i. That the funding options identified in Table 5 should be progressed;
  - ii. That a service-specific savings target of £243k should be set for homelessness;
  - iii. That Directors and Heads of Service should work to produce specific income generation and savings options to meet the remaining budget deficit of £1.704m.
- (4) That owing to the Council's projected budget deficit, any additional new growth items supported by Policy Committees will need to be fully funded from existing budgets.

**(5) The budget setting timetable at Appendix 2.**

**2 Reason for recommendations**

- 2.1 Approving the recommendations will ensure the Council's 2022/23 budgets are updated to reflect post-Covid-19 service demand levels, and will provide a clear framework for the Council to develop a balanced budget for 2023/24. Strategy and Resources Committee has agreed one of its key priorities is to achieve financial stability for the Council.

**3 Background**

- 3.1 In February 2022, Full Council agreed 2022/23's budget, which included a £600k contingency to manage the ongoing impact of Covid-19 on services. To balance, the budget required a contribution from reserves of £1.48m.
- 3.2 Longer-term forecasts presented at the budget meeting projected funding deficits of £1.4m in 2023/24, rising to £2.2m by 2025/26.
- 3.3 To address these projected deficits, members noted (at the budget meeting) that officers would undertake further analysis of Covid-19's expected long-term financial impact on Council services, to assess whether the £600k contingency would be sufficient to mitigate any permanent post-Covid budget impacts, and to develop a strategy to remove reliance on reserves in the medium term.
- 3.4 Officers have now undertaken this analysis, with the findings and implications for 2022/23 summarised in this report, alongside a proposed strategy for developing a sustainable budget from 2023/24 that reduces and subsequently removes reliance on the use of reserves.

**4 Analysis of Covid-19's Long Term Financial Impact**

- 4.1 To date, the Council's 2021/22 and 2022/23 budget setting strategy has been to retain the majority of service base budgets at pre-pandemic levels, while including a centrally-held contingency to manage Covid-19's impact on services. This strategy has enabled the Council to wait until the pandemic's long-term impact on services could be reliably assessed, before making major changes to service budgets and taking associated decisions on the future of those services.
- 4.2 With government restrictions ending and society fully re-opened, it is now possible, with greater reliability, to analyse Covid-19's expected long-term impact on service budgets.

- 4.3 During Spring 2022, finance officers have worked with budget managers to quantify the expected budget changes required post-pandemic. To recognise the remaining uncertainty inherent in future forecasts and to demonstrate a range of potential outcomes that the Council may face, three different scenarios have been considered – pessimistic, neutral and optimistic. The assumptions underpinning each scenario are specific for each service, and are shown at Appendix 1.
- 4.4 The following table summarises those services that have been permanently impacted by Covid-19, and the expected budgetary impact in each scenario:

Table 1 - Post Covid-19 Budget Pressures	Budget Pressure		
	Pessimistic	Neutral	Optimistic
	£'000	£'000	£'000
Car Parking	979	781	583
Homelessness	466	243	20
Bourne Hall	72	60	48
Community & Wellbeing Centre	34	19	11
Waste Collection	18	9	0
Route Call	10	7	3
<b>Subtotal 2022/23 Pressures</b>	<b>1,579</b>	<b>1,119</b>	<b>665</b>
Investment Properties	608	(471)	(755)
Elevated Pay & Price Inflation	640	380	250
<b>Subtotal 2023/24 Pressures</b>	<b>1,248</b>	<b>(91)</b>	<b>(505)</b>
<b>Total Budget Pressure</b>	<b>2,827</b>	<b>1,029</b>	<b>160</b>

- 4.5 Table 1 shows that the potential permanent budget pressures faced by service budgets range from £2.8m in the pessimistic scenario, to £0.16m in the optimistic scenario. In the neutral scenario, the permanent adverse budgetary impact on services is expected to be £1.12m for 2022/23, reducing to £1.03m by 2023/24.
- 4.6 The Council has already budgeted a £600k contingency to manage the long-term impact of Covid-19 on services. Taking the neutral scenario as the base case for financial planning, this contingency would part-fund the £1.119m adverse impact on services in 2022/23. However, funding still needs to be identified for the £519k balance, and from 2023/24, the Council's projected future budget deficit increases by £429k, to £1.8m in 2023/24, as shown in the following table:

Table 2 - Updated MTFS Projections - Neutral Scenario	2022/23 Agreed Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
	£'000	£'000	£'000	£'000
Net Cost of Services	10,102	10,520	10,928	11,442
Budgeted Use of Reserves	-1,476	-150	-100	-50
<b>Subtotal - Net Budget Requirement in MTFS</b>	<b>8,626</b>	<b>10,370</b>	<b>10,828</b>	<b>11,392</b>
<b>External Funding</b>				
Council Tax (based on £5 annual Band D increase)	7,090	7,297	7,480	7,667
Retained Business Rates	1,606	1,638	1,671	1,554
Prior Year Collection Fund Deficit	-133	0	0	0
Lower Tier Services Grant	64	60	60	0
<b>Subtotal - External Funding</b>	<b>8,626</b>	<b>8,995</b>	<b>9,211</b>	<b>9,221</b>
<b>Budget Shortfall reported to February Full Council</b>	<b>0</b>	<b>1,375</b>	<b>1,617</b>	<b>2,171</b>
Add Impact of Covid-19 (neutral assumptions and inflated by 2% from 2024/25)	1,119	1,029	1,049	1,070
Less Budgeted Contingency	-600	-600	-600	-600
<b>Updated Budget Shortfall for Financial Planning</b>	<b>519</b>	<b>1,804</b>	<b>2,066</b>	<b>2,641</b>

- 4.7 It should be noted that the projections in Table 2 already assume that commercial properties Parkside House and East Street will be re-let at 75% of their previous rents, as well as full delivery of previously agreed savings totalling £557k in 2022/23 and 2023/24, as shown in the following table:

Table 3 – Summary of Agreed Savings		2022/23	2023/24
		£000	£000
Bourne Hall	C&W	30	-
Review of Ewell Court House	C&W	10	-
Tattenham Corner Conveniences	C&W/EWDC	12	-
Income from Commercial Property	S&R	112	96
Review of Waste Collection	E&SC	100	-
Review of Grounds Maintenance	E&SC	67	-
Reduce Subsidy of Community & Wellbeing Centre	C&W	-	50
Other Operational Efficiencies	All	11	69
<b>Savings built into MTFS</b>		<b>342</b>	<b>215</b>

- 4.8 Even with delivery of the above savings, the Council's projected budget deficit for 2023/24 in the neutral scenario is £1.8m. In a pessimistic scenario, the 2023/24 deficit increases to £3.6m, reducing to £0.9m in the optimistic scenario.

## 5 Re-Basing the 2022/23 Revenue Budget

- 5.1 As shown in Table 2, the Council's £600k contingency is only sufficient to part fund the additional £1.119m budget pressures identified within services for 2022/23, based on neutral assumptions. Therefore, to enable the Council to readjust budgets to bring them in line with the neutral forecast requires funding for the shortfall of £519k.
- 5.2 A potential, partial solution to funding the shortfall could be to use the £174k New Homes Bonus Grant allocation for 2022/23 (instead of setting aside these funds in the Corporate Projects Reserve as planned). In addition, with interest rates rising, additional treasury management income of £160k is now considered achievable in 2022/23, alongside £100k expected income from Emerald House as the rent free period at this property expires in July 2022. Officers could then be tasked to identify and deliver additional income/savings options for the remaining £85k to be delivered in 2022/23.
- 5.3 The proposed budget changes and funding is summarised in the following table:

<b>Table 4 - Rebasing 2022/23 Budget</b>	<b>£'000</b>
<b>Proposed Budget Changes</b>	
Car Parking	+781
Homelessness	+243
Bourne Hall	+60
Community & Wellbeing Centre	+19
Waste Collection	+9
Route Call	+7
<b>Total Proposed Budget Changes</b>	<b>+1,119</b>
<b>Funded by:</b>	
Budgeted Contingency	(600)
New Homes Bonus (one-off funding)	(174)
Additional Treasury Management Income	(160)
Property Income from Emerald House	(100)
Services Additional Income/Savings Target	(85)
<b>Total Funding</b>	<b>(1,119)</b>

- 5.4 Members are asked to support the proposed budget changes and funding. If supported, £85k additional income/savings will need to be identified by officers in 2022/23 and the budget changes will be actioned through the Council's virement procedures.

- 5.5 It is acknowledged that due to the cost of living crisis, the statutory homelessness service faces elevated demand risks during 2022/23 and possibly beyond. In the pessimistic scenario at Appendix 1, a further £243k funding would be required to support an average of 82 families in temporary accommodation throughout 2022/23. Should the pessimistic scenario materialise and officers cannot identify compensating underspends or additional income (including government grant income), it is proposed that an additional £250k be ringfenced as a contingency which will be utilised to fund the homelessness service in 2022/23 if required. This would be funded from the Council's General Fund reserve, which currently holds a balance of £2.853m.
- 5.6 For all services, progress against budgets will be reported in line with the Financial Regulations – i.e. quarterly to Audit & Scrutiny Committee – with adverse budget variances in excess of £100,000 reported to the relevant Policy Committee to identify mitigating action.
- 5.7 Any new, recurring additional income or savings identified during 2022/23 would contribute towards mitigating the Council's overall budget deficit of £2.6m by 2025/26.

## 6 Proposed 2023/24 Budget Strategy

- 6.1 Given the scale of 2023/24's expected deficit in any scenario, it is important that the Council develops a strategy for delivering balanced future budgets that reduce and remove unsustainable reliance on the use of reserves in the medium term.
- 6.2 A number of potential funding options have been identified to mitigate the projected deficits, which are summarised in the following table:

Table 5 - Updated MTFS Projections – Neutral Scenario	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000
<b>Forecast Budget Shortfall (from Table 2)</b>	<b>519</b>	<b>1,804</b>	<b>2,066</b>	<b>2,641</b>
<u>Identified Funding Options</u>				
Treasury Management Income (due to rising interest rates)	(160)	(135)	(50)	-
Investment Property Income (Emerald House)	(100)	(100)	(100)	(100)
Income from increasing fees and charges by 6% annually	-	(180)	(378)	(594)
New Homes Bonus Grant	(174)	-	-	-
Additional cont. from Corporate Projects Reserve	-	(904)	(266)	-
<b>Updated Forecast Budget Shortfall</b>	<b>85</b>	<b>485</b>	<b>1,272</b>	<b>1,947</b>
Savings Target for Homelessness	-	(243)	(243)	(243)
<b>Savings Target for Services</b>	<b>85</b>	<b>242</b>	<b>1,029</b>	<b>1,704</b>

- 6.3 In particular, with CPI inflation at 9% (April 2022) and expected to remain elevated for the coming year, the Council should consider increasing its fees and charges by greater than the budgeted 3%, to avoid the value of this income stream being eroded by inflation. Increasing fees and charges by 6% per annum for 3 years from 2023/24 could generate additional income of £594k by 2025/26 (all else being equal). However, the Council may wish to consider even greater increases (for example 10%, which the Bank of England forecasts CPI will reach) to generate additional income and keep up with inflation.
- 6.4 If the funding options in Table 5 are supported, the projected budget deficit by 2025/26 would reduce from £2.64m to £1.95m.
- 6.5 The Council could also consider a service-specific savings target for homelessness, reflecting that the service's budget has increased substantially in recent years, from £1.1m in 2018/19 to £1.8m in 2022/23 (to meet elevated demand). Should a savings target of £243k be agreed for homelessness (which would mitigate the increased £243k budget requirement identified during the re-basing exercise), then the savings required from other services could be reduced further from £1.947m to £1.704m.
- 6.6 £1.704m represents 7.6% of the Council's controllable budgets. It is proposed for Directors and Heads of Service to identify options to contribute towards meeting this £1.704m savings requirement.
- 6.7 Members are asked to agree:
- i. That the funding options identified in Table 5 should be progressed;
  - ii. That a service-specific savings target of £243k should be set for homelessness;
  - iii. That Directors and Heads of Service should work on producing specific additional income/savings options that will meet the remaining budget deficit of £1.704m.
- 6.8 The workstreams progressed by Directors and Heads of Service would include:
- i. Preparation of options for how services could deliver savings or additional income for the Council.
  - ii. Property Related Reviews – to realise cost reduction of Council operational buildings, increase income from investment properties and generate new receipts from surplus buildings/land if appropriate. This should include the previously agreed Strategic Asset Reviews as follows;

*6.8.ii.1 Bourne Hall including the museum*

*6.8.ii.2 Town Hall*

*6.8.ii.3 The Playhouse*

*6.8.ii.4 Re-letting Parkside House and East Street should continue to be progressed as a key strategic priority.*

- iii. Review of Pay Policy from 2024/25.
  - iv. Encourage and explore investment opportunities that deliver long-term savings or sustainable income.
  - v. Production of a Homelessness Action Plan to reduce net cost of service.
- 6.9 Budgets and forecasts will continue to be reviewed and updated throughout the 2023/24 budget setting process.

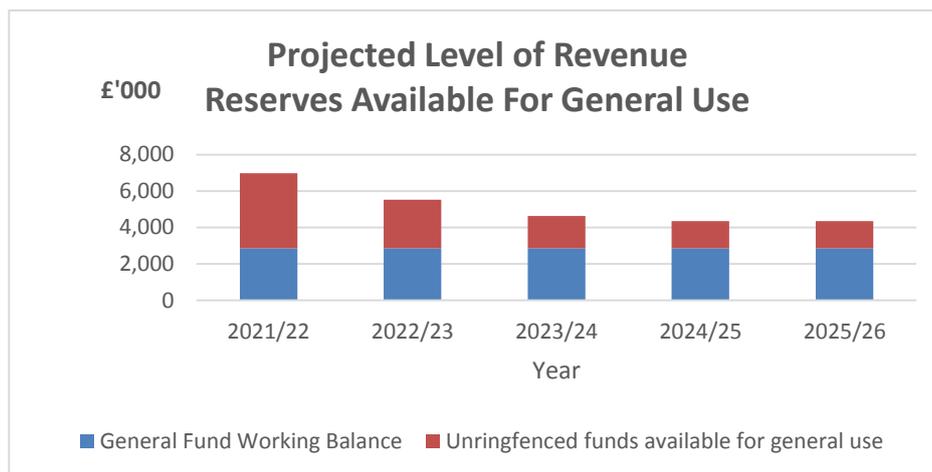
## 7 Proposed Strategic Budget Timetable 2023/24

- 7.1 A proposed formal committee timetable is presented at Appendix 2.
- 7.2 In addition to the formal committee meetings, officers will maintain engagement with Policy Chairs throughout the budgeting process.
- 7.3 The Council needs to agree a timeframe in which it plans to achieve a balanced budget with no reliance on revenue reserves to fund the delivery of services. Based on the neutral position set out in Table 2, the Council is anticipating a funding shortfall of £2.6m by 2025/26.
- 7.4 Trying to deliver a £2.6m reduction in the Council's net budgeted expenditure by 2023/24 could be unachievable, due to the scale of savings required. A more realistic approach could be to agree to deliver a minimum reduction in net spend for the next three years of £900k per annum, thus achieving the required level of saving by 2025/26 in a phased manner. This approach would provide officers and members time to manage the changes required to the Council both internally and externally, as shown in the following table:

Table 7 - Updated MTFS Projections – Neutral Scenario	2023/24	2024/25	2025/26
	£'000	£'000	£'000
Updated Budget Shortfall (from Table 2)	1,804	2,066	2,641
Minimum annual savings target	(900)	(1,800)	(2,641)
<b>Forecast funding shortfall</b>	<b>904</b>	<b>266</b>	<b>0</b>

- 7.5 The above table shows that phasing savings over the next 3 years would require a use of revenue reserves over the period of £1,170k (£904k in 2023/24 and £266k in 2024/25), while the savings are phased in.

- 7.6 Notwithstanding, it is important for the Council to maintain reserves at a level that ensures future risks can be mitigated and managed, and provide the capability to fund corporate initiatives. As set out in Appendix 3, the Council currently has £2.4m of uncommitted un-ringfenced reserves. Of this balance, EEBC has agreed to maintain a minimum of £1m within the Corporate Projects Reserve, which leaves £1.4m uncommitted to support the above proposal. Should the proposed phasing of savings be supported, the expected change in the Council’s level of uncommitted reserves is shown in the following chart:



## 8 External Funding (Business Rates, Council Tax and Government Grants)

- 8.1 The Government has indicated its intention to complete the much-delayed Fair Funding Review for 2023/24. The Fair Funding Review (when complete) will be used by Government to recalculate each local authorities’ baseline funding need and determine the proportion of business rates that each authority is permitted to retain in future. EEBC is currently permitted to retain just c.£1.6m of business rates funding out of c.£24m business rates collectible locally - the balance must be passed to SCC (10%) and DLUHC for redistribution across the rest of the country.
- 8.2 When complete, the Fair Funding Review is expected to favour upper tier/unitary authorities (i.e. those responsible for adult and children social services) and any councils that are the focus of government’s Levelling Up agenda, at the expense of other district councils. Therefore, the Fair Funding Review may result in a reduction in retained business rates for district councils such as Epsom & Ewell.

- 8.3 The Council's financial projections currently assume that business rates income remains largely stable at £1.6m to 2025/26. However, the threat remains that the Fair Funding Review will result in a reduced funding settlement for EEBC from 2023/24 and beyond. The Government has previously attempted to introduce a £625k cut to EEBC's funding settlement (through negative RSG) back in 2019/20, but following significant lobbying from the Council and other local authorities, Government agreed to remove the £625k cut from current settlements, pending the Fair Funding Review.
- 8.4 Should the Fair Funding Review result in decreased funding for EEBC, the Council's budget deficit would increase by an amount equivalent to any settlement reduction. However, should there be major changes to Council funding, it is expected that government would phase the change in over a number of transitional years. In addition, EEBC holds the Business Rates Equalisation Reserve, which could be used to help the Council manage any funding reduction in the short term while plans are developed to mitigate any change in the longer term.
- 8.5 The latest projections continue to anticipate an annual council tax increase of £4.95 for a band D equivalent property. This is currently the maximum increase permitted before requiring a local referendum. This increase brings in £170k of additional annual funding to support the cost of delivering Council services – without this increase in council tax, the budget gap for 2023/24 and beyond would rise by £170k, and further savings, cuts to services, or alternative income would need to be identified.

## **9 Revenue Reserves**

- 9.1 The current level of revenue reserves is shown at Appendix 3.
- 9.2 The Council uses its reserves proactively to manage risks, to invest in service transformation for the future, or to respond to unexpected events or emerging needs. Generally, reserves should not be used to fund day-to-day services on an ongoing basis, as reserves would eventually become depleted without a plan for replenishing them.
- 9.3 The 2022/23 budget plans to use £1.476m from the Council's reserves to balance, which was considered a reasonable approach in the short term, as this use of reserves has enabled the Council to assess the post-pandemic financial environment, before taking major decisions around the future of service delivery.
- 9.4 In agreeing to temporarily use reserves to fund 2022/23's budget, members noted that ahead of 2023/24, the Council would review and rebase its budgets to reflect post-Covid underlying expenditure and income streams, with the aim of removing the unsustainable reliance on reserves to fund the day-to-day revenue budget.

## 10 Risk Assessment

Legal or other duties

### 10.1 Impact Assessment

- i. The Council has a statutory duty to set a balanced budget each year, demonstrating how planned expenditure on services will be fully funded.
- ii. Should the Council not progress the proposed budget strategy and fail to achieve a significant net reduction in its cost of services, there is a clear risk that reserves will continue to diminish with the Council eventually becoming unable to set a balanced budget.
- iii. A full budget risk assessment will be presented to Full Council alongside the final 2023/24 budget proposals in February 2023.

### 10.2 Crime & Disorder

- i. None arising from the contents of this report.

### 10.3 Safeguarding

- i. None arising from the contents of this report.

### 10.4 Dependencies

- i. The Council's Annual Plan for 2023/24 should be set to be deliverable within the Council's available financial resources.

### 10.5 Other

- i. None arising from the contents of this report.

## 11 Financial Implications

11.1 Financial implications are set-out in the body of the report.

11.2 **Section 151 Officer's comments:** The proposed budget strategy will facilitate the Council to fulfil its statutory duty to produce a balanced budget each year.

## 12 Legal Implications

12.1 The Council has a statutory responsibility to set a balanced budget each year.

12.2 **Monitoring Officer's comments:** None arising from the contents of this report.

### 13 Policies, Plans & Partnerships

- 13.1 **Council's Key Priorities:** The following Key Priorities are engaged:  
Effective Council
- 13.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 13.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.
- 13.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 13.5 **Partnerships:** None arising from the contents of this report.

### 14 Background papers

- 14.1 The documents referred to in compiling this report are as follows:

**Previous reports:**

- 2022/23 Budget Report to Full Council, February 2022;

**Other papers:**

- None.

Appendix 1 - Service Areas impacted by Covid	2022/23 Original Direct Budgets			Additional Budget Pressure			Key Assumptions
	Gross Exp	Gross Income	Net	Pessimistic	Neutral	Optimistic	
	£000	£000	£000	£000	£000	£000	
Car Parking	1,336	-4,537	-3,201	979	781	583	<p><b>Optimistic</b> - assumes current car park user numbers increase by 10%.</p> <p><b>Neutral</b> - assumes current car park user numbers increase by 5%.</p> <p><b>Pessimistic</b> - assumes car park user numbers stay at current level.</p>
Homelessness	1,855	-388	1,467	466	243	20	<p>Each scenario assumes provision for 3 Rough Sleepers to continue for up to 6 months.</p> <p><b>Optimistic</b> - assumes number of homeless households is budgeted level of 58.</p> <p><b>Neutral</b> - assumes number of homeless households is current level of 70.</p> <p><b>Pessimistic</b> - assumes number of homeless households increases to 82.</p>
Bourne Hall	557	-424	133	72	60	48	<p>Many regular hirers have either moved permanently to on-line communications or no longer exist. Adhoc hirers were mainly small business/group meetings who now meet online.</p> <p><b>Optimistic</b> - assumes a 40% reduction in adhoc hirers.</p> <p><b>Neutral</b> - assumes a 50% reduction in adhoc hirers.</p> <p><b>Pessimistic</b> - assumes a 60% reduction in adhoc hirers.</p>
Community & Wellbeing Centre	365	-212	153	34	19	11	<p>Social Distancing has capped numbers at the Centre by a third.</p> <p><b>Optimistic</b> - cap is lifted after 6 months and user numbers increase.</p> <p><b>Neutral</b> - the cap remains in place and user numbers remain constant.</p> <p><b>Pessimistic</b> - an outbreak of Covid in the centre causes it to close for several months, causing a permanent reduction in users.</p>
Route Call	317	-98	220	10	7	3	<p><b>Optimistic</b> - Assumes expected income levels increase by 10%</p> <p><b>Neutral</b> - Expected income based on current usage levels.</p> <p><b>Pessimistic</b> - Assumes expected income levels decrease by 10%.</p>
Waste Collection	2,720	-1,465	1,255	18	9	0	<p>Increased expenditure for agency staff covering permanent staff Covid sickness.</p> <p><b>Optimistic</b> - assumes no cover needed.</p> <p><b>Neutral</b> - assumes agency cover for 1 driver for 35 days and 1 loader operative for 35 days.</p> <p><b>Pessimistic</b> - assumes agency cover for 2 drivers for 35 days and 2 loader operatives for 35 days.</p>
<b>SubTotal 2022/23</b>	<b>10,357</b>	<b>-9,289</b>	<b>1,067</b>	<b>1,579</b>	<b>1,119</b>	<b>665</b>	
Investment Properties (Council-owned)	1,170	-2,879	-1,710	608	-471	-755	<p><b>Optimistic</b> - Parkside House is re-let at previous rent levels; 64-74 East Street remains let at current rent; Covid-19 has no adverse impact on other property rents.</p> <p><b>Neutral</b> - Parkside House and East Street are re-let at base rents 25% below previous levels; no change to other property rents.</p> <p><b>Pessimistic</b> - Parkside House and East Street remain vacant on an ongoing basis; no change to other property rents.</p>
Elevated Inflation - Pay and Prices	618	0	618	640	380	250	<p><b>Optimistic</b> - 2023/24 Staff pay award is 3% (£120k), Energy prices increase by 50% (£130k).</p> <p><b>Neutral</b> - 2023/24 Staff pay award is 3% (£120k), Energy prices increase by 100% (£260k).</p> <p><b>Pessimistic</b> - 2023/24 Staff pay award is 3% (£120k), Energy prices increase by 200% (£520k).</p>
<b>SubTotal 2023/24</b>	<b>1,788</b>	<b>-2,879</b>	<b>-1,092</b>	<b>1,248</b>	<b>-91</b>	<b>-505</b>	
<b>Total</b>	<b>12,144</b>	<b>-12,169</b>	<b>-24</b>	<b>2,827</b>	<b>1,029</b>	<b>160</b>	

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**REVENUE BUDGET PLANNING 2022/23 - REPORTING TIMETABLE**

<b>MONTH</b>	<b>TOPIC</b>	<b>REPORT TO</b>	<b>OBJECTIVE</b>
<b>JULY 2022</b>	Provisional Financial Outturn for 2021/22	Strategy & Resources Committee	Report unaudited outturn figures for last year Agree year end transfers for 2021/22 to/from strategic reserves
	Financial Planning for 2023/24	Strategy & Resources Committee	Update Four Year Budget Forecast Set Budget Targets for 2023/24 Agree financial planning strategy Confirm budget reporting timetable
<b>SEPT &amp; October 2022</b>	Budget Targets 2023/24	Policy Committees	Set Budget Targets for 2023/24 and guidance on the preparation of service budget reports
	2021/22 Audited Financial Statements & Audit Findings	Audit & Scrutiny Committee	Report audited financial position for the year ended 2021/22
	First Quarter Budget Monitoring for 2022/23	Audit & Scrutiny Committee	Report Revenue and Capital quarter 1 forecast outturn for 2022/23
<b>NOV 2022</b>	Second Quarter Budget Monitoring for 2022/23	Audit & Scrutiny Committee	Report Revenue and Capital quarter 2 forecast outturn for 2022/23
	Budget Update	Strategy & Resources Committee	Update on budget preparation and local government funding (if required)
<b>JAN 2023</b>	Service Estimates	Policy Committees	Recommend service budgets to Council
<b>FEB 2023</b>	Third Quarter Budget Monitoring for 2022/23	Audit & Scrutiny Committee	Report Revenue and Capital quarter 3 forecast outturn for 2022/23
	Local Govt. Finance Settlement	Financial Policy Panel	Guidance on Council Tax Options following announcement of grant settlement / localisation of business rates
	2023/24 Treasury Management Strategy	Financial Policy Panel	Update of Financial Plan Recommend the Treasury Management Strategy to Full Council for approval
	Budget Meeting	Full Council	Council Tax and Budget decisions

**CAPITAL PROGRAMME REVIEW 2023/24 - REPORTING TIMETABLE**

<b>MONTH</b>	<b>TOPIC</b>	<b>REPORT TO</b>	<b>OBJECTIVE</b>
<b>JULY 2022</b>	Capital Member Group	Strategy & Resources Committee	Nominate members of Capital Member Group;  To report final capital spend for 2021/22 and commitments on uncompleted schemes
<b>SEPT to NOV 2022</b>	2023/24 Capital Bids	Capital Member Group	To assess 2023/24 capital bids and an indicative programme for 2024/25 to 2027/28
<b>JAN 2023</b>	Capital Project Appraisals	Policy Committees	Recommend capital schemes to Council
<b>FEB 2023</b>	Budget 2023/24: Capital Programme	Full Council	Approve capital programme for 2023/24 and update provisional programme 2024/25 to 2027/28
<b>MARCH 2023</b>	Publish Capital Programme		

Appendix 3 - GENERAL FUND REVENUE RESERVES

Appendix 3 - General Fund Revenue Reserves	Balance at 31 March 2022	Commitments	Uncommitted Balance at 31 March 2022	Proposed Additional Funding 2022/23	Forecast Uncommitted Balance at 31 March 2023	Proposed Funding 2023/24	Forecast Uncommitted Balance at 31 March 2024	Proposed Funding 2024/25	Forecast Uncommitted Balance at 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund Working Balance</b>	<b>2,853</b>	<b>0</b>	<b>2,853</b>		<b>2,853</b>		<b>2,853</b>		<b>2,853</b>
<b>Strategic Earmarked Reserves</b>									
Repairs and Renewals	456	0	456		456		456		456
Insurance	434	(25)	409		409		409		409
Property Maintenance	689	(186)	503		503		503		503
VAT Reserve	206	0	206		206		206		206
Business Rates/Collection Fund Equalisation Reserve	5,158	(3,421)	1,737		1,737		1,737		1,737
Commuted Sums	1,439	0	1,439		1,439		1,439		1,439
Property Income Equalisation Reserve	8,459	(2,941)	5,518		5,518		5,518		5,518
<b>Subtotal - Contingencies unavailable for general use</b>	<b>16,841</b>	<b>(6,573)</b>	<b>10,268</b>	<b>0</b>	<b>10,268</b>	<b>0</b>	<b>10,268</b>	<b>0</b>	<b>10,268</b>
Residential Property Acquisition Fund*	1,017	(290)	727		727		727		727
Community Safety	104	0	104		104		104		104
Sports & Leisure Development Projects Fund	76	0	76		76		76		76
Place Development Grants	225	(225)	0		0		0		0
Personalisation, Prevention & Partnership	73	0	73		73		73		73
Housing/Homelessness Support Grants	332	(104)	228		228		228		228
HIA Hardship Fund	124	0	124		124		124		124
Basic Payments Scheme	142	0	142		142		142		142
Covid Grants Reserve	163	(140)	23		23		23		23
Other smaller grants	28	0	28		28		28		28
<b>Subtotal - Ringfenced funds for specific use</b>	<b>2,284</b>	<b>(759)</b>	<b>1,525</b>	<b>0</b>	<b>1,525</b>	<b>0</b>	<b>1,525</b>	<b>0</b>	<b>1,525</b>
Corporate Project Reserve	4,130	(1,458)	2,672		2,672	(904)	1,768	(266)	1,502
Interest Equalisation	0	0	0		0		0	0	0
<b>Subtotal - Unringfenced funds available for general use</b>	<b>4,130</b>	<b>(1,458)</b>	<b>2,672</b>	<b>0</b>	<b>2,672</b>	<b>(904)</b>	<b>1,768</b>	<b>(266)</b>	<b>1,502</b>
<b>Total Strategic Earmarked Reserves</b>	<b>23,255</b>	<b>(8,790)</b>	<b>14,465</b>	<b>0</b>	<b>14,465</b>	<b>(904)</b>	<b>13,561</b>	<b>(266)</b>	<b>13,295</b>
<b>Total Revenue Reserves</b>	<b>26,108</b>	<b>(8,790)</b>	<b>17,318</b>	<b>0</b>	<b>17,318</b>	<b>(904)</b>	<b>16,414</b>	<b>(266)</b>	<b>16,148</b>

\*Only the revenue-funded element of the Residential Property Acquisition Fund is shown in the table.

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