

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	1 February 2023
Subject:	Budget 2023 – 2024
Report of:	Head of Finance and Asset Management
Head of Service/Director:	Head of Finance and Asset Management
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	Three

Executive Summary:

The proposed net budget totals £11.3m and, after deducting Government support and other financing streams, the resultant Council tax requirement is £5.13m giving a Band D Council tax figure of £139.36.

Recommendation:

The Committee is asked to RECOMMEND TO THE COUNCIL:

- i. a net budget of £11,300,458.
- ii. a Band D Council tax of £139.36, an increase of £5.00 per annum.
- iii. the inclusion of growth items within the budget for 2023/24 as proposed in Appendix A.
- iv. the capital programme as proposed in Appendix B.

Financial Implications:

As set out within in the report.

Legal Implications:

Section 32 of the Local Government Finance Act 1992 as amended places a duty on the Council, as Billing Authority, to calculate before 11 March 2023 its budget requirement for 2023/24.

Under section 25 of the Local Government Act 2003, the Section 151 Officer must report on the robustness of the estimates for the purposes of making the appropriate calculations and of the adequacy of the Council's proposed financial reserves.

Environmental and Sustainability Implications:

A growth in budgetary support for the Council's commitment to Climate leadership Gloucestershire is set out within the report.

Resource Implications (including impact on equalities):

As set out within in the report.

Safeguarding Implications:

None.

Impact on the Customer:

None directly from this report.

1.0 INTRODUCTION

- 1.1 The Council considered the Council's financial position as shown in the Medium Term Financial Strategy (MTFS) at its meeting on 24 January 2023.
- 1.2 The MTFS outlines the budget pressures facing this Council now and in future years. It depicts the gap between the estimated net budget of the Council and the estimated funding available in order to finance that net expenditure. The deficit over the five years of the MTFS is estimated to be in the order of £6.2 million.
- 1.3 The latest MTFS is based on updated information provided through the Autumn Statement and the Local Government Settlement Policy Statement. Although both of these provide some clarity on the direction of travel in the short term, much of the previous uncertainty with funding remains and, as a result, financial projections in the medium term are uncertain and subject to significant change. It is hoped that further clarity will be provided at some point to enable sound financial planning and the setting of budgets over the medium term.
- 1.4 The Spending Review in October 2021 headlined a three year funding position for local government coupled with additional general funding of £4.8bn over 3 years in addition to specific social care funding. Despite the setting of a three year funding position, local government settlements have remained on an annual basis and the Council had to wait for the Provisional Local Government Settlement, received on 19 December 2022, for clarity on the immediate funding proposals affecting the 2023/24 budget. The following sections of this report provide further detail on the Provisional Settlement and the Policy Statement but, in summary, the headlines relevant to this Council include:
- A one year only Settlement period, covering 2023/24.
 - A further two-year delay to funding reform.
 - Likewise, a further two-year delay to the Business Rates Retention scheme reset.
 - The introduction of a 3% Funding Guarantee.
 - An additional one year, one off payment of New Homes Bonus.
 - An undertaking to provide clarity on the future of New Homes Bonus before the next settlement.
 - A reduction to the Services Grant in respect of the reversal of the National Insurance increase.
 - Increased flexibility with regards to the Council tax threshold for District Councils being the higher of 3% or £5.
 - An increase to Core Spending Power for Tewkesbury Borough of 4.76%.

- 1.5 This report now brings together the information from the Settlement with the detailed figures associated with the 2023/24 budget and the work undertaken by the Transform Working Group and makes a proposal for a balanced budget and resultant Council tax.
- 1.6 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (nominated Section 151 Officer) to make a statement to the Council on the robustness of the estimates and adequacy of financial reserves. This statement is set out in section 11 of this report. The Council is under a statutory obligation to have regard to this when making its decision on the proposed budget.
- 1.7 In setting the budget for 2023/24, the Council has continued to provide the same level of service as in previous years and, in many areas, looks to provide an enhanced service whilst also investing to meet the demands of the growing population of the Borough. Despite the financial challenges facing the Council, the proposed budget includes the addition of £636,458 of ongoing growth in our services and £677,998 of one-off growth to further support services and council plan ambitions.
- 1.8 As always, the approval of the 2023/24 budget will mark the start of the process to set a balanced budget for the following year. Much will depend on the Government providing clear and early information on the funding streams that will support the Borough Council in 2024/25 and beyond but the Council will also need to consider its expenditure plans over the medium term and look to align those plans with the likely level of resources available.

2.0 LOCAL GOVERNMENT FINANCE SETTLEMENT 2023/24

- 2.1 The Local Government Finance Settlement for 2023/24 includes monetary allocations for a variety of funding streams including New Homes Bonus (NHB), Services Grant (SG), Revenue Support Grant (RSG), Rural Services Delivery Grant (RSDG), the new Funding Guarantee (FG) and the Business Rates Baseline (BRB) funding. In addition, it confirms what the Government deem as an excessive Council tax increase which would be subject to local referendum before it could be introduced.
- 2.2 The Provisional Local Government Finance Settlement for 2023/24 was announced on 19 December 2022. The settlement is subject to consultation which will end on 16 January 2023, with the Final Settlement expected at the end of January. Given that historically the figures contained within the Provisional Settlement have not changed on publication of the Final Settlement, the budget report is based on those figures within the Provisional Settlement. Any movement to the funding streams will be notified to Members and changes to the budget made if necessary.
- 2.3 Despite the Spending Review 2021 providing funding quantum for the next three years, the Department of Levelling Up, Housing and Communities (DLUHC) has again opted to only provide confirmed funding levels for the next financial year. This was again in order to prioritise certainty and stability for local government. The Policy Statement attempted to provide some certainty for 2024/25 by confirming delays to funding reform and business rates reset but left questions over the future of NHB and the newly introduced Funding Guarantee. The 2023/24 Settlement is therefore, in effect, another one year roll over Settlement
- 2.4 **Needs based funding**

The Government's assessment of funding support required to deliver services to the Borough, net of the resources that could be raised locally, is provided via three funding streams, these being, Revenue Support Grant (RSG), Rural Services Delivery Grant (RSDG) and the Business Rates baseline (BRB) funding.

The figures within the settlement are in line with expectations and Table 1 highlights the confirmed level of support for the next financial year.

Table 1

	2021/22	2022/23	2023/24
Cash levels			
Revenue Support Grant (RSG)*	23,286	23,990	158,117
Rural Services Delivery Grant (RSDG)	14,459	14,459	14,459
Business Rates baseline (BRB)	1,846,234	1,846,234	1,915,324
Total	1,883,979	1,884,683	2,087,900
Change in funding (£)			
Revenue Support Grant (RSG)	129	704	134,127
Rural Services Delivery Grant (RSDG)	680	0	0
Business Rates baseline (BRB)	0	0	69,090
Total	809	704	203,217
Change in funding (%)			
Revenue Support Grant (RSG)	0.56%	3.02%	559.10%
Rural Services Delivery Grant (RSDG)	4.94%	0.00%	0.00%
Business Rates baseline (BRB)	0.00%	0.00%	3.74%
Total	0.04%	0.04%	10.78%

* RSG for 23/24 contains a number of rolled in grants – see detail below.

2.5 As can be seen from Table 1, the Council's needs based funding has seen an increase of £203,217 or 10.78% for 2023/24. There are a number of factors that have contributed to this increase including:

- RSG for 23/24 contains two previously specific grants that have been rolled into RSG as the government attempt to simplify the grants system. The grants and their values are:
 - Council Tax Support Administration Subsidy - £87,754.
 - Family Annexe Council Tax Discount Grant - £43,617.
- An uplift to the core RSG of £2,756.
- A freeze to the rural element of the funding.
- A 3.74% uplift to Business Rates baseline funding.

More detail on business rates funding is provided in Section 4 but, in summary, the Council's baseline funding should move in line with September's Consumer Price Index (CPI), which for 2022 was 10.1%, as long as this is passed on to businesses in the form of an uplifted business rates multiplier. In order to support businesses in the current

economic environment, the multiplier has been frozen and, as a result, the Government is required to compensate local authorities in full for the revenue forgone by the Government's decision. Normally this would come through in full in the form of a s31 grant and would be reflected in our retention figures rather than baseline funding. However, for 2023/24 the Government has split this compensation with part (3.74%) being awarded directly to the baseline funding level.

2.6 Funding Guarantee

In previous years, the funding floor for local government was 0% of existing Core Spending Power (CSP). This meant that the worst-case position for local authorities was that the cash amount of their CSP would not change between years. For Councils such as Tewkesbury who were at the 0% floor, courteous of the steep reductions in New Homes Bonus, the Lower Tier Services Grant (LTSG) would be used as a balancing item to ensure that 0% was achieved, paying significant grant if necessary. In reality, even with the LTSG allocation, Tewkesbury was still losing grant funding but was replacing this with increased Council tax receipts.

A new funding floor of 3%, in recognition of current inflationary pressures, has been introduced for 2023/24 in the form of the Funding Guarantee. Currently, this position has only been committed to by the Government for 2023/24 and no similar commitment has been made for future years.

The Funding Guarantee ensures that all Councils will see at least a 3% increase in their Core Spending Power before any decisions about organisational efficiencies, use of reserves or Council tax levels are made. For Tewkesbury, this means that a 3% uplift in its current CSP of £10m will result in an uplift in funding support of £300,000. In addition to this, the Council will also benefit from any increase in Council tax it agrees to, rather than it merely replacing lost funding. With a £5 increase in Council tax generating approximately £184,000, this new Funding Guarantee could therefore see an increase in CSP of £484,000.

The Funding Guarantee will be delivered by uprating existing funding such as the Revenue Support Grant and the Baseline Funding level, adjusting for changes to other grant schemes such as New Homes Bonus and then making an actual Funding Guarantee grant to ensure the 3% target is delivered.

The Funding Guarantee is paid for by repurposing the LTSG and making use of spare monies within the NHB.

For Tewkesbury, the value of the Funding Guarantee in 2023/24 is £1,778,232.

2.7 Services Grant

The Services Grant was introduced as a new, one-off allocation of £822m in 2022/23 in part to compensate authorities for the increased cost of National Insurance. Despite being labelled as a one-off grant, the Services Grant will continue into 2023/24 but at a reduced amount to reflect the reversal of the decision to increase National Insurance contributions.

The allocation for Tewkesbury will fall from £127,275 in the current year to £71,717 in 2023/24.

It is not yet known whether this grant will continue into 2024/25.

2.8 New Homes Bonus

The Government is proposing to roll-over last year's policy on New Homes Bonus (NHB) for a new round of NHB payments in 2023/24. New legacy commitments ceased to be made in allocations from 2020/21, and the government confirmed in February 2021 that it did not intend to reintroduce the concept of legacy payments. As a result, Tewkesbury will see a NHB allocation of £1,240,366 in 2023/24. Full details are provided in section 3.

2.9 Council tax principles

The Government has increased the core principle of a maximum increase in Council tax to 2.99%, an increase of 1%, given current levels of inflation. It has also given further freedoms for most precepting bodies such as the additional 2% for the Adult Social Care Levy. For District Councils, the principle that has been in place since 2016/17, being the higher of £5 or 1.99%, has increased to the higher of £5 or 2.99%. This does not offer any greater freedom for those authorities who charge the lowest Council tax and the Government has been lobbied to reconsider this position.

The Government assumes every authority will increase Band D Council tax by the maximum allowed. In its Core Spending Power figures, the Government has also assumed that the taxbase will increase in 2023/24 for each authority in line with their average taxbase increases.

Full details of the Council tax calculation can be found in section 7.

2.10 Core Spending Power

The Government's preferred measure of financial resources available to local government is called the Core Spending Power (CSP) and takes into account all of the grants referred to in the previous paragraphs, New Homes Bonus and Council Tax to forecast the level of total resources available to local government in the coming year. The only major funding stream excluded for lower tier authorities is Business Rates retention.

The headline figure for local government sees an increase of 9.2% or £5bn in funding for 2023/24. This includes assumed increases to Council tax income of £1.9bn based on maximum Council tax increases and five-year average growth to tax bases. This continues a feature of recent settlements in that a greater burden for funding local government has been placed on the local taxpayer. The figure also includes £1.9bn of additional or repurposed funding for social care.

2.11 Tewkesbury's CSP forecast for 2023/24 is, once again, somewhat less than the national average, standing at 4.76%, but is a significant increase compared to previous years and is in line with other lower tier authorities. Table 2 illustrates how Tewkesbury's CSP is calculated:

Table 2 – Tewkesbury's Core Spending Power

	2021-22	2022-23	2023-24
	£ millions	£ millions	£ millions
Settlement Funding Assessment	1.87	1.87	2.07
Business rates multiplier compensation	0.10	0.19	0.33
Council Tax Requirement	4.58	4.81	5.06
New Homes Bonus	2.51	1.63	1.24
Rural Services Delivery Grant	0.01	0.01	0.01
Lower Tier Services Grant	0.93	1.31	0.00
Services Grant	0.00	0.13	0.07
Funding Guarantee	0.00	0.00	1.78
Grants rolled in	0.13	0.13	0.00
Core Spending Power	10.13	10.09	10.57
Increase (£)	-0.10	-0.04	0.48
Increase (%)	-0.93%	-0.43%	4.76%

NB Previous year CSP adjusted to reflect actual council tax levels, hence 0% not achieved

2.12 The £0.48m increase in CSP is the first increase enjoyed by Tewkesbury Borough Council in four years and is most welcome after a decade of spending reductions. Whilst the uplift is welcome, at 4.76% it remains significantly below current levels of inflation and will not alone cover the increasing cost of providing services.

2.13 It should also be noted that the split between locally controlled funding and funding from central government continues to come closer together. The Council tax element of CSP is again expected to rise by £0.25m meaning that it will account for around 48% of the Council's CSP, up from 34.7% in 2015/16. This continues the journey of the last eight years which has put an ever-increasing emphasis on local taxpayers to pay for the cost of services.

3.0 NEW HOMES BONUS

3.1 The Local Government Settlement for 2021/22 confirmed that New Homes Bonus (NHB) would be withdrawn after much speculation in the preceding couple of years. Despite a consultation on a replacement scheme taking place in early Spring 2021, no further announcements have been made. It therefore came as no surprise when the government decided to allow a further year of the scheme in 2022/23 and again in 2023/24.

3.2 For 2023/24, the NHB award will again be awarded for one year only with no legacy payments being awarded in future years. The original scheme made NHB payments for six years for each new property delivered or empty property returned to occupation, but this was reduced to four years in 2018/19 and then the last four awards, including 2023/24, have been for one year only. This has obviously dramatically reduced the value of the scheme to Tewkesbury although the increased levels of house building and the increase to the national average Council tax has offset some of that reduction.

3.3 For Year 13, which is based on growth between October 2021 and October 2022, the value of the NHB will be £1,240,366. This is the largest single year allocation that Tewkesbury has received and reflects the level of housebuilding in the area over that 12-month period. 900 new properties and returned empty properties were added to the valuation list in the twelve months to October 2022 whereas, in comparison, 529 were added in the period to October 2021. However, it is the first year since the inception of the scheme where only a single year is being paid and is therefore another reduction in overall NHB received by Tewkesbury.

Table 3 details the reducing allocation of NHB.

Table 3 – Projection of NHB

	2020/21	2021/22	2022/23	2023/24
Year 7	£750,088	£0	£0	£0
Year 8	£898,713	£898,713	£0	£0
Year 9	£965,166	£965,166	£965,166	£0
Year 10	£1,148,789	£0	£0	£0
Year 11	£0	£644,982	£0	£0
Year 12	£0	£0	£667,928	£0
Year 13	£0	£0	£0	£1,240,366
	£3,762,756	£2,508,861	£1,633,094	£1,240,366
Variance (£)	£489,358	-£1,253,895	-£875,767	-£392,728
Variance (%)	14.94%	-33.32%	-34.91%	-24.05%

- 3.4** As can be seen from the table, the Council will receive £1.24m in 2023/24 from the NHB scheme. This is a reduction of £0.39m on the current levels. All of the £1.24m will be used to support the base budget of the Council.
- 3.5** Given that the Government is now only funding one year of NHB rather than the previous four years, the surplus within the NHB scheme, estimated at £609m out of the £900m allocation, would normally be returned to local government pro rata to the top slice of Revenue Support Grant that funds NHB. The Government has, once again, opted not to follow this requirement of the system but have instead used the surplus to fund other elements of the settlement including the Funding Guarantee, Social Care grants and inflationary uplifts to needs based funding.
- 3.6** No details were presented in the Provisional Local Government Settlement as to what, if anything, might replace the NHB scheme and what transitional arrangements might look like. There was also no firm commitment to continue with the current one year only funding arrangements. However, the Settlement did state:

'We also recognise the need to help councils plan and we will therefore set out the future position of New Homes Bonus ahead of the 2024/25 local government finance settlement.'

Similar commitments have previously been made and it remains to be seen if this one will be honoured. It is therefore currently impossible to forecast potential sums due from NHB or a revised scheme beyond March 2024.

4.0 BUSINESS RATES RETENTION

- 4.1** In recent years, Tewkesbury has benefited from significant amounts of retained business rates income to support its base budget. The budgeted current year retained income stands at £1.22m as a result of the growth of the business base within the Borough but also the compensation paid by government to local authorities for national decisions such as freezing the business rates multiplier and business rate relief.
- 4.2** As highlighted earlier, the Council will receive compensation from the Government for its decision to freeze the business rates multiplier and therefore deny local authorities the expected inflationary increase to the business rates baseline position. This is the third year where the Government has decided to do this and as a result the compensation has increased from £188,693 in the current year to £326,257 for 2023/24 as indicated within our CSP figures.
- 4.3** Reform of the business rates retention scheme has long been an ambition of the Government with a move to 75% retention widely expected and a number of pilots run to test the scheme and its benefits. However, following comments by the Secretary of State in 2021 about 75% retention and its incompatibility with the levelling up agenda, it no longer appears that this move will happen, and the sector will remain on 50% retention. The figures for 2023/24 are based on this level of retention.

The national reset of the retention scheme, whereby accumulated growth in individual authorities is taken back by the government and potentially redistributed amongst the whole local government sector, has also been earmarked to happen for a number of years but has been delayed in each of those years. The Local Government Finance Settlement Policy Statement in December 2022 has confirmed that the reset will again be delayed for at least the next two years.

- 4.4** The calculation of business rates due to and therefore retained by the Council is contained within our NNDR1 return to DLUHC and is based on the standstill position highlighted in the preceding paragraph, the compensation due highlighted at 4.2, the underlying growth of the business community within the Borough and the reassessment of provisions made for appeals and bad debts. The calculation also includes the changes to the rateable list as calculated by the national revaluation for 2023 and the transfer of the Virgin Media hereditaments to the Central List. The resultant level of expected business rates retention for Tewkesbury Borough Council is £1.98m for 2023/24.
- 4.5** In addition to the budgeted in year retention, the Council budgets for the surplus or deficit arising on the Business Rates Collection Fund in the previous year. Given the amount of business rate relief support provided by the Government and the robustness of our local business community, a one off surplus has been generated within the collection fund of which Tewkesbury's share totalled £377,475. This one-off surplus has been included within our 2023/24 budget.
- 4.6** In addition to our own individual performance, Tewkesbury is a member of the Gloucestershire Business Rates Pool which incorporates all Gloucestershire authorities and, through the inclusion of the County Council, results in a much reduced levy payment being applied, therefore generating higher levels of retained income within Gloucestershire. This increased retention is shared directly amongst the Councils and also with the Strategic Economic Development Fund in Gloucestershire.

Given the Government's decision not to make any alterations to the business rates retention scheme in 2023/24 and 2024/25 and thus maintain the intrinsic benefit of pooling, Section 151 officers have risk assessed the proposed pool and believe there is sufficient benefit and risk mitigation to maintain the pool for a further year. Tewkesbury will therefore continue within the Pool for 2023/24 and 2024/25.

Given the financial challenges facing the Council, in particular from the impact of inflation and the growth of the Borough, Tewkesbury's share of the additional retention accumulated by the pool arrangements will now be included within the base budget as an expected funding stream. An estimate of £225,000 has been included within the 2023/24 budget and will therefore directly support the delivery of ongoing services. Any retention generated over this level will be treated as a windfall bonus at the year end. The windfall can be used to boost a number of our long-term planning reserves such as vehicle replacement, asset maintenance and IT replacement and therefore mitigate the need for additional ongoing budget growth.

5.0 GROWTH

- 5.1** After more than a decade of austerity in local government and with the Borough expanding rapidly in recent years, our services across the Council, are under severe pressure to meet the demands placed upon them. In addition, the ambition of both national and local government continues to present new challenges and financial demands. Alongside this, the withdrawal of New Homes Bonus – traditionally used to support growth in the Council - without a replacement scheme has created further financial pressures and removed a growth funding resource from our budget position. The restriction on Council tax increases as well as the impact of inflationary pressures also mean that there is limited ongoing funding available to support the growth requests put forward.

- 5.2** It is against this backdrop that growth bids were requested from services and from which over £1.3m of additional funding was requested. Clearly this level of additional cost is not affordable for the Council in the current funding climate and so choices needed to be made so that a balanced budget proposition could be developed. Corporate Leadership Team reviewed all bids received and prioritised those bids against the funding that was available.
- 5.3** Having completed this exercise, the final decision on what to include in the budget proposal could not be made until all other parts of the budgetary process had been completed. This was again severely delayed this year given the late notification of the Provisional Settlement and the additional work needed to complete the business rates position as a result of the revaluation and the moving of some hereditaments to the central list. Once the position was known, CLT included growth bids in the budget proposal that were affordable within the funding available and decided against including more bids that would require the use of reserves to support ongoing expenditure.
- 5.4** As a result of the additional funding in the Provisional Settlement and the additional income and savings found within the base budget, highlighted at 6.4, a total of £636,458 of ongoing growth is recommended. This is an increase on the expected level of growth and the amount affordable in the current year of £450,050. The additional funding allows an injection of critical resources into our service areas to meet the growing demand of customers, ensure our IT systems are maintained and secure, provide resources to ensure the timely investment of s106 monies into our communities and meet some of our Council Plan priorities.
- 5.5** The full list of growth items recommended for inclusion in the budget is shown at Appendix A and as can be seen the majority of funding is being directed towards the growth needed in our waste and recycling operation and the restructure required in our licensing service to ensure we are meeting statutory requirements.
- 5.6** In addition to the £636,458 of ongoing funding recommended, £677,998 of one-off funding is also included in the budget proposal. Again, this is largely as a result of the additional rounds required for our waste and recycling operation with four new vehicles required to meet the need at a cost of £498,000.
- 5.7** Appendix A also highlights the growth bids that have not been included in the budget proposal as a result of the lack of available finance. In some cases, funding already exists to maintain the service on a temporary basis whilst in other cases there are further options to explore in order to fund the required expenditure. A total of £474,342 of ongoing expenditure requests have not been included within the budget proposal.
- 5.8** Despite the inclusion of £636,458 of ongoing growth in the coming budget, on top of the £450,050 included in the current year, it is likely that there will continue to be large demands for additional ongoing funding in the coming years for the reasons outlined at 5.1.

6.0 PROPOSED BUDGET

6.1 The base estimates for the Council in 2023/24 have been compiled, including the proposed growth, and are detailed in table 4.

Table 4

	2022/23 Budget	2023/24 Budget	Variance (£)	Variance (%)
Chief Executives unit	£283,874	£292,929	£9,055	3.19%
Corporate Director	£132,200	£133,623	£1,423	1.08%
Corporate Services	£2,865,781	£3,308,415	£442,634	15.45%
Democratic Services	£852,387	£868,179	£15,792	1.85%
One Legal	£285,037	£378,625	£93,588	32.83%
Development Services	£1,373,380	£1,422,638	£49,258	3.59%
Community Services	£4,830,437	£5,976,265	£1,145,828	23.72%
Finance and Assets	-£801,561	-£1,080,216	-£278,655	-34.76%
TOTAL	£9,821,535	£11,300,458	£1,478,924	15.06%

6.2 The budget proposals for 2023/24 include a number of variances against the current year and are summarised in the following paragraphs.

6.3 Additional costs and reduced income

- A salary growth assumption of £1,600 on each scale point has been made for the year commencing 1 April 2023. This mirrors the approach taken to the 2022 pay award where agreement was reached for a £1,925 uplift on each scale point. The figure used is driven by the need to meet the expected increase to the National Living Wage and results in an uplift of just under 8% at the lowest scale point and circa 1.3% at the top scale point.
- In addition, the extra cost of the 2022 salary award needs to be included within the base budget. The 22/23 budget was constructed with a 2% assumption for the pay award but the actual award resulted in an additional cost of circa £240,000.
- Also included in the base budget for 2023/24 is the uplift in manpower costs associated with the first phase of the local pay line review approved in Autumn 2022. The cost of this uplift is estimated at £211,000. A prudent estimate of potential cost associated with the phase 2 and phase 3 review has also been included within the base budget to give coverage for any proposals that may arise.
- The overall impact on the total manpower budget is a £1.1m increase in costs equivalent to 11%.
- With consumer price inflation running at 10.7% at the time of writing, this has inevitably affected a number of individual budget lines within the Council. Whilst managers have sought to reduce the impact of inflation on budgets, there are significant increases for expenditure on computer licences, fleet car hire and diesel.
- The cost of gas and electric has risen steeply since the last budget was set but the contractual arrangements with the Council's supplier, where energy has been purchased in advance of need and in advance of the significant price increases, has meant that the price being paid by the Council is around 60% lower than the market price at the time of fixing the price in November. However, this has still resulted in price increase of 39% for electricity and 111% for gas. The cost increase has however been offset by the delivery of the solar canopy project resulting in the need to purchase less electricity and being able to sell any excess energy produced.

- One office accommodation unit within the Council offices remain vacant after over 12 months of advertising and, whilst a recent change of marketing agent may help to secure a tenant for the space, it is prudent to remove the expectation of rental income from our budget given the length of the current void period. This is a loss of £49,000 rental income.
- The contract for services delivered by Ubico has increased by £723,000 (15.4%) for 23/24. This increase is predominately driven by two things:
 - The increased price of diesel resulting in an increased annual cost of £126,000.
 - An allowance made to cover the additional cost of the April 2022 pay award and a 5% pay award assumption for April 2023. Together, these generate an additional £485,000 of ongoing costs.
- It has been necessary to include a sum of £150,000 within the base budget to accommodate the service charges relating to the Council's use of the Swindon Road depot in Cheltenham. Previously, this cost was borne in its entirety by Cheltenham Borough Council.
- External Audit charges continue to increase given the extra requirements imposed on the audit regime and the increased complexity of local authority accounts. An additional £15,000 is included within budget for this. It is expected that costs will again rise for 2024/25 which is the start of a new audit contract period.
- The increase in banking rates has resulted in an expected increase borrowing cost of £166,000.

6.4 Budget savings and increase income

- A decrease to employer National Insurance contributions of 1.25% with effect from 6 November 2022.
- The Council is able, once again, to reduce its contribution to the pension fund deficit. A further reduction of £99,000 has been factored into the base budget resulting in an annual contribution of £1.17m, a reduction of £798,000 from the position for 2019/20. Further reductions will take place over the following two years as a result of the valuation of the pension fund in 2022.
- The increase in banking rates, and expectations of further increases, has resulted in a significant additional investment interest estimate of £561,000.
- An increase in estimated fee income, as a result of increased fees and additional customers, across a range of services including:
 - Planning - £94,000.
 - Garden waste - £44,000.
 - Licensing - £126,000.
- An increase to the value of recyclate collected has resulted in the charge being made by our Materials Recovery Facility (MRF) operator being reduced by £158,500.
- A reduction in bank fees (following procurement) of £15,000.
- In sourced management of our Tipton investment property saving £23,000.
- Rental of fifth unit at Tipton producing an additional £176,000 of rental income.

6.5 The finance available to fund the Net Budget Requirement is as follows:

Table 5

Financing stream	2022/23 Budget	2023/24 Budget	Variance (£)	Variance (%)
Revenue Support Grant	-£23,990	-£158,117	-£134,127	559.10%
Rural Services Delivery Grant	-£14,459	-£14,459	£0	0.00%
Business Rates Baseline	-£1,846,233	-£1,915,324	-£69,091	3.74%
Retained Business Rates	-£1,220,553	-£1,980,458	-£759,905	62.26%
Business Rates Pool	£0	-£225,000	-£225,000	-
Business Rates Collection Fund	£1,179,606	-£377,475	-£1,557,081	132.00%
New Homes Bonus	-£1,633,094	-£1,240,366	£392,728	-24.05%
Council Tax Collection Fund surplus	-£98,009	-£160,899	-£62,890	64.17%
Minimum Revenue Provision	£905,359	£926,973	£21,614	2.39%
Net Transfer to / (from) reserves	-£785,929	£820,467	£1,606,396	-204.39%
Lower Tier Services Grant	-£1,345,362	£0	£1,345,362	-100.00%
Services Grant	-£127,275	-£71,717	£55,558	-43.65%
Funding Guarantee	£0	-£1,778,232	-£1,778,232	-
Total	-£5,009,939	-£6,174,607	-£1,164,668	23.25%
Service Expenditure b/fwd	£9,821,535	£11,300,458	£1,478,924	15.06%
Balance to be funded by Taxpayers	£4,811,596	£5,125,851	£314,256	6.53%

6.6 Table 5 highlights the financing streams as described in the previous sections. The new funding guarantee and the increased benefit of business rates retention have resulted in an increase of over £1.16m of financing available to meet the increased cost of our services.

6.7 Also included within the financing streams are:

- An increase in the Minimum Revenue Provision of £21,614 reflecting the annuity method of calculation used.
- The significant use of reserves to support a business rates collection deficit is not required for 23/24 resulting in a substantial movement on the use of reserves figure. In addition, it has been necessary to increase the support to the vehicle replacement reserve to reflect the need for additional vehicle purchases and the projected rising cost of the full fleet replacement.
- A council tax collection fund surplus of £160,899.
- The introduction of partial benefit of being a member of the Gloucestershire Business Rates Pool into the base budget with an income estimate of £225,000. This is a prudent estimate of the likely full benefit of pool membership and taken now given some certainty that any changes to the retention scheme are now likely to be some years away.

6.8 As a result of the movement on individual funding streams, the net total of funding available to the Council has increased by £1,164,668 or 23.25%.

6.9 It has not been necessary to use reserves to support the budget proposal. It was widely expected that a significant contribution from reserves would be needed to balance this year's budget but due to the funding settlement, the increased business rates and the additional income generated in the core budget, this has not been necessary. The £3.1m MTFS reserve remains intact and ready to support future service and budgetary needs.

6.10 After deducting the funding streams from the net cost of services, the balance of expenditure to be funded by Council Taxpayers is £5,125,851 for 2023/24, an increase of £314,256 on the current year.

7.0 COUNCIL TAX

7.1 As highlighted earlier in the report, the Government expects all Councils to increase Council tax to the maximum level permissible before a referendum is required. The increased council tax delivers the national headline 9.2% increase in CSP and in Tewkesbury's case supports the generation of the expected 4.76% increase in CSP for 2023/24.

Whilst this is the most generous financial settlement for some time for Tewkesbury, the increase in CSP does not meet the current inflationary pressures (CPI was 10.5% in December) affecting the cost of delivering existing services and the growth required to meet the additional demand of our services.

It is therefore recommended that a £5 per annum increase at Band D level, equivalent to 3.72%, is approved, generating an additional £183,906 of ongoing income to support the Council's core services.

7.2 The level of increase proposed is in line with the Government's set threshold, of £5 or 2.99%, whichever is the higher, for determining whether a District Council tax increase is excessive and should be put to a local referendum. Thresholds for other precepting bodies are:

- 2.99% for basic Council tax and 2% for the Adult Social Care (ASC) levy for upper tier authorities.
- £15 for Police and Crime Commissioners (£10, £15, £10 and £24 in preceding years).
- There are again no thresholds for Town and Parish Councils.

7.3 The proposed increase will be the eighth successive year that the Council will have increased the Council tax by the maximum £5 per annum. This follows the period from 2011 to 2016 where Tewkesbury decided to freeze its share of the Council tax in order to support its taxpayers during tough economic times. The proposed increase would set the Band D Council Tax at £139.36 per annum and most likely keep the Council around the eighth lowest District Tax in England. The proposed tax would also keep the Council in the lowest quartile for Council Tax charges whilst the shortfall against the lower quartile threshold and the District Council average is likely to increase from £43 and £70 respectively given the ability of the majority of District Council's to increase their Council tax by more than £5, courteous of a 3% uplift on existing Council tax levels.

7.4 The impact of this proposal on the Borough taxpayers is illustrated in Table 6.

Table 6

Band	No. of properties	Percent of total	Annual Council Tax 22/23	Annual Council Tax 23/24	Annual Increase
A	6,702	15.29%	£89.57	£92.91	£3.33
B	6,830	15.58%	£104.50	£108.39	£3.89
C	12,317	28.09%	£119.43	£123.88	£4.44
D	6,411	14.62%	£134.36	£139.36	£5.00
E	5,739	13.09%	£164.22	£170.33	£6.11
F	3,601	8.21%	£194.08	£201.30	£7.22
G	2,040	4.65%	£223.93	£232.27	£8.33
H	205	0.47%	£268.72	£278.72	£10.00

7.5 The Council's recent record on council tax is shown in table 7 for information.

Table 7

Year	Council Tax	Increase (£)	Increase (%)
2014/15	£99.36	£0.00	0.00%
2015/16	£99.36	£0.00	0.00%
2016/17	£104.36	£5.00	5.03%
2017/18	£109.36	£5.00	4.79%
2018/19	£114.36	£5.00	4.57%
2019/20	£119.36	£5.00	4.37%
2020/21	£124.36	£5.00	4.19%
2021/22	£129.36	£5.00	4.02%
2022/23	£134.36	£5.00	3.87%
2023/24	£139.36	£5.00	3.72%

7.7 As highlighted previously, the growth of the Council's tax base has been suppressed in recent years in comparison to the high growth at the end of the last decade. Tax base growth of 4.1% had fallen to 2.7% and more recently 1.1% reflecting the impact of the pandemic. However, significant development over the last twelve months coupled with a small reduction in the Council Tax Reduction Scheme liability has seen a return to the high levels of tax base growth previously seen. As a result, the tax base for 2023/24 has been calculated at 36,781.36 an increase of 970.14 band D equivalents or 2.71%.

7.8 Table 8 highlights the movement on the tax base, the balance to be funded by taxpayers and the corresponding tax increase required whilst table 9 breaks down the additional tax receipts between the tax base increase and the tax charge increase.

Table 8

	2022/23	2023/24	Variance
Balance to be funded by Taxpayers	£4,811,596	£5,125,850	£314,254
Tax base	35,811.22	36,781.36	970.14
Council tax @ Band D	£134.36	£139.36	£5.00

Table 9

Council tax raised through tax base increase	£130,348
Council tax raised through charge increase	£183,906
Additional council tax raised	£314,254

7.9 Table 9 illustrates that the Council will be able to raise a further £314,254 of Council tax income through tax rate and tax base increases.

8.0 RISKS

8.1 The Council's budget is prepared using best estimates for the level and timing of expenditure, budget and efficiency savings and available resources. However, a number of uncertainties exist which could have an impact on the budget of the Council:

- Government Support – the settlement is only provisional and is subject to change. Funding levels beyond 2023/24 are, as yet, unknown. A prudent view of future years funding has been included in the MTFS.
- Business Rates – until such time as the issues with backdated appeals have been resolved, accurately forecasting the level of business rate income is difficult. Provisions are made within the scheme to deal with expected bad debts and appeals but these may not be sufficient. The Council is also a member of the Gloucestershire Pool and so the performance of neighbouring authorities with regards to rates retention will impact on Tewkesbury's overall retention.
- Interest rate forecasts – our forecast treasury position is built on the central forecast of rate movements over the twelve-month period. There are significant downside and upside risks to this forecast given the competing economic needs in setting the base rate. Changes will affect both the level of return from investments but also the cost of borrowing.
- Budgetary control – whilst every effort is made by services to operate within their set budgets, in some circumstances, overspends are unavoidable.
- The cost of disposing of recyclate is significant and is subject to the market and the quality and quantity of materials collected. Best estimates of prices and tonnages have been made, reflecting the likely position, but this could be subject to significant change. Impact from this change will also affect the level of recycling credit income generated.
- A contract sum with our waste provider Ubico has been agreed for the new year. This is not a fixed sum and the Council is liable for any overspend incurred by the contractor. Additional expenditure may be incurred through further price rises such as diesel, vehicle maintenance or PPE purchases or through a pay award settlement in excess of the 5% within their budget.
- As previously indicated, there is currently no agreement with regards to the 2023 pay award. The budget therefore carries a risk that there is insufficient money within it to meet the agreement that will be made between the Unions and employers. A pay award reserve exists to support excess pay awards.
- New budgetary pressures may emerge e.g. the external funding of the Garden Town may not be agreed and delivered.
- Rental levels from our commercial property portfolio remain at risk given the current flux in the economy. It is as a result of this risk that the Council sets aside £225,000 per annum from its current rental stream to meet void costs or the costs of inducements for new tenants.
- Inflation – increased cost as a result of inflation has been factored into expenditure budgets but it cannot be guaranteed that these increased budgets will be sufficient to meet costs as prices continue to rise and supplies are restricted.
- Cost of living – given cost of living increases forecast to impact households, it is possible that forecast income levels will not be achieved as households decide against expenditure in areas such as garden waste collection or planning applications, or simply do not have the funds to meet taxation obligations. As a result, income levels may reduce and arrears may increase.

8.2. As detailed in the following section, the Council does hold reserves which can meet unforeseen costs highlighted within the risks.

9.0 REVENUE RESERVES

9.1 As at 31 March 2022, the Council had earmarked reserves totalling £18.13m. This is a significant increase on previous years and reflects planned contributions to reserves, the release of a business rates collection fund surplus and the receipt of external grants for various requirements. Of the total earmarked reserves, a sum of £3.10m is set aside in the MTFs reserve which is used to manage the financial challenges of the Council, either as direct temporary support to the budget or to fund the transitional costs of change.

Other reserves exist to manage risk to the authority, such as the business rates reserve, pay award reserve and the commercial property reserve, whilst other reserves plan for future expenditure, such as the vehicle replacement reserve and the asset management reserve. The remainder of the reserves provide for service specific activities and in many cases are funded via external grant.

9.2 In addition, there is an uncommitted General Fund working balance of £1,000,000. This reserve was increased by £250,000 in June 2019 and by £200,000 in June 2022 in recognition of how low it was in comparison to other District Councils. This was highlighted within CIPFA's Financial Resilience Index. This year's index suggests that this uncommitted balance is now at a more acceptable level but should be increased further should funds become available at the year-end outturn.

9.3 The latest financial outturn projection for 2022/23 suggests that the budget is on track to deliver a small surplus although further cost pressure from inflation and service demand cannot be ruled out. This means, on current projections, that it is unlikely that there will be a significant surplus from the base budget at year end to increase reserves, but neither will there be a deficit requiring further reserve contributions. However, the Council is also a member of the Gloucestershire Business Rates Pool and the latest estimate of the Pool's position suggests that Tewkesbury could be due a business rates windfall of around £400,000 at year end, given that this is not budgeted for in 2022/23, which can support increased reserve provision.

9.4 The Council's reserves are in their strongest position for a long time and allow for the delivery of a number of specific service actions as well as guarding against significant financial impact from inflation and potential changes to the funding of local government. The revenue reserves are reviewed and approved annually as part of the closure of accounts. A Financial Outturn report will be taken to Executive Committee in July to approve the reserves of the Council for 2023/24.

10.0 CAPITAL PROGRAMME

10.1 The current capital programme is shown at Appendix B and covers forward forecasts of the next five years.

10.2 The programme is reduced in size in comparison to previous years and currently totals £19.02m over the next five years. The reduction in the size of the programme is largely as a result of the cessation of the acquisition phase of the commercial property portfolio. The portfolio, currently valued at £60m, is of an appropriate size and risk for our Council. Recent changes to the regulatory framework have also made it clear that the purchase of assets solely for the yield they attract is not an appropriate activity for a local authority.

10.3 Significant expenditure within the remaining programme includes the delivery of a bridge at Ashchurch to support the delivery of the Garden Town. This totals £11.2m across the life of the project based on latest estimates and is funded entirely from external grants. The bridge construction contract is expected to be awarded in March which will provide certainty on cost.

Also included in the programme is the re-provision of a large proportion of the vehicle fleet expected to total £5.2m and funded from revenue set aside. A further report will be submitted to Members about the detailed proposals for the fleet replacement programme. Also included within the fleet purchase figure is the additional £498,000 required for the additional rounds required to be provided to meet the growth of the Borough and to enable safer collections from hard-to-reach places within the Borough.

An increased level of expenditure on Disabled Facilities Grants (DFGs), based on the current year expenditure profile, is projected throughout the programme. This totals £4m over the five year forecast and is financed entirely by Government grant.

The annual asset capitalisation programme, which provides funding for the purchase of waste and recycling receptacles as well as the IT replacement programme, has been uplifted to £125,000 p.a. to reflect increased costs and the shorter expected lifespan of personal devices.

10.4 The programme relies heavily on external capital grant funding with £12.29m expected to be received to support the bridge and DFG programmes. Revenue financing of capital expenditure is expected to contribute £5.87m to the capital programme with the majority coming from the vehicle replacement reserve and an allocation from the investment reserve. Given the small balance on the capital receipts reserve, only £0.86m is forecast to be consumed from capital receipts.

10.5 Further additions to the capital programme can be made at any time of the year following Council approval. Members must be mindful of the revenue consequences, both negative and positive of any decision to commit further capital expenditure.

11.0 STATEMENT OF CHIEF FINANCE OFFICER

11.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to make a statement on the robustness of the estimates and adequacy of financial reserves when considering its budget and Council tax. The Act requires Councillors to have regard to the report in making decisions at the Council's budget and Council tax setting meeting.

11.2 The basis on which the budget for 2023/24 has been prepared has been set out very clearly in this report and in previous MTFs reports. I am satisfied that the budgets for the General Fund and the Capital Programme have been based on sound assumptions. The Council has a good record for only including in the budget income estimates that are deliverable. The Council's core expenditure requirements are well understood, budgeted for accordingly and delivered in accordance with the estimates. It is on this basis that I am satisfied the estimates are robust.

11.3 The grant settlement for 2023/24 and the cost pressure on service areas have had a significant impact on the Council's finances and the current economic climate continues to challenge the financial affairs of the Council.

The high level of uncertainty surrounding the future of local government finance also causes great difficulty. The forecast impact of the withdrawal of New Homes Bonus, without confirmation of a replacement scheme or transitional funding, leaves the Council facing a £1.2m cliff edge in 2025/26. In addition to this, the potential reset of the business rates retention system in 2025/26 is likely to result in significant reductions in retained business rates which will cause further significant financial challenges in the coming years. Potential changes to the funding distribution model, should the Fair Funding Review be concluded, also appear to have a negative impact on Shire Districts.

11.4 Given these financial uncertainties and challenges, it is imperative that our income streams are secure, our services continue to make efficiency improvements and we have adequate reserves to provide a contingency and to effect change if necessary. I am pleased to say that in all three regards the Council is now well placed.

11.5 The Council's income from fees and charges is generally in good health, despite the impact of both the pandemic and current economic climate. The majority retain a good customer base and inflationary increases continue to be applied on an annual basis to the fee charged. As a result, our fees and charges as a percentage of service expenditure is relatively high when compared to other district Councils. The Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Index for 2021, shown below, highlights this together with other indicators of financial risk, the vast majority of which show the Council to be well placed in comparison to other Councils. The finalised 2022 index is awaited and is expected to show a similar picture to the 2021 position.



11.6 A potential threat to fees and charges is the Government's intention to make garden waste free of charge to the customer. For 2023/24, Tewkesbury expects to charge its garden waste customers £1.08m and therefore if the Government does move forward with its intention, the Council will expect to see compensation in full and on an ongoing basis.

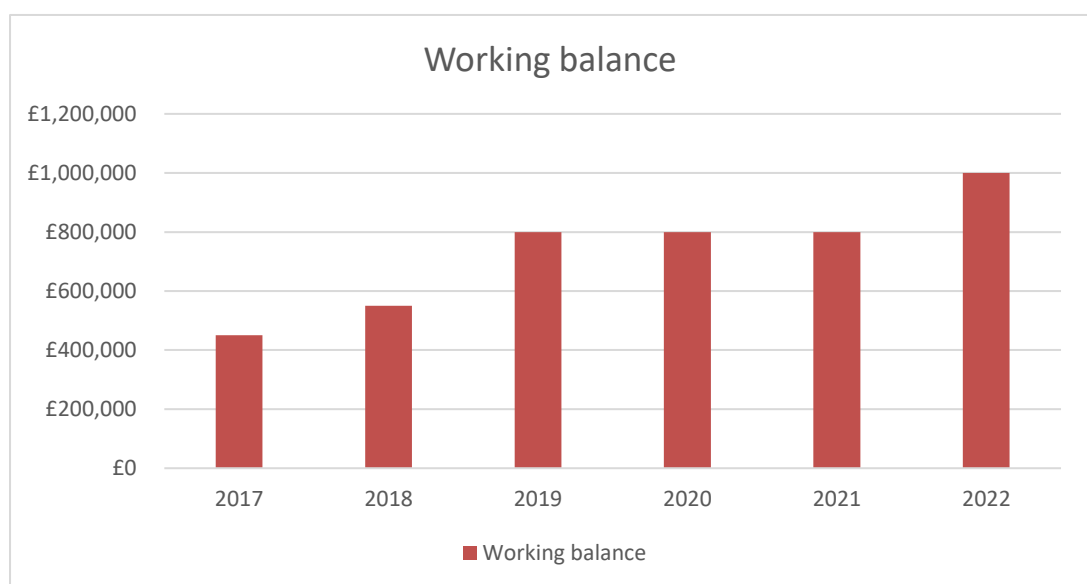
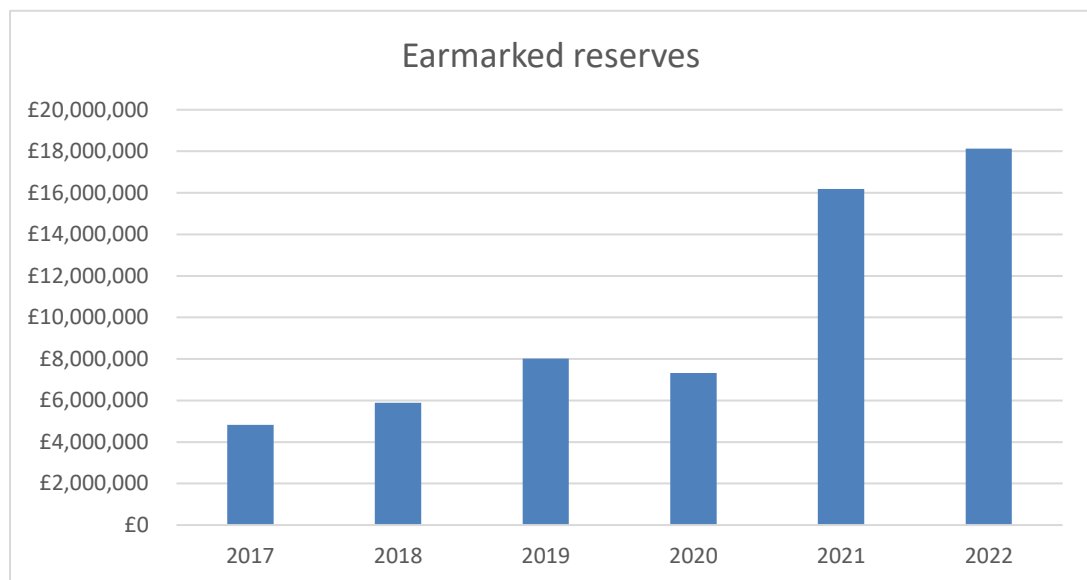
11.7 With regards to Council Tax, which is the largest of the funding streams available to the Council, the position is improving but remains low in comparison to other districts and is therefore a higher risk when it comes to financial resilience. The level of Council tax income is becoming ever more important to local authorities as the Government continues to reduce central funding in favour of higher levels of funding from Council taxpayers. Over the last seven years, the percentage of Tewkesbury's Core Spending Power taken from council tax has risen from 34.7% to 47.8%. Nationally the figure now stands at 56.8% of CSP. Tewkesbury's percentage is naturally lower given that the tax that is charged is the eighth lowest in England. In addition, the Council's tax base is relatively modest given the rural nature of the Borough and the conversion rate from actual properties into band d equivalents.

These two issues combine to leave the Council with a relatively modest income stream from Council tax compared to other authorities which not only means less cash to pay for services but also heightened risk to medium term financial planning due to a smaller proportion of 'certain' funding as opposed to the uncertainties and volatility of other funding streams.

11.8 The formation of the Business Transformation team has enabled a number of services to benefit from their support. Investment in this service area will mean that the Council can improve both the scale and speed of transformation within our services. The results of this investment are starting to be seen across service areas, a growing reputation across the sector for transformation and the award of Government funding to support the work of the team.

In addition to this, a number of service reviews are continuing towards a conclusion including both the Planning and Licensing services with further reviews planned. A review of the Council as a whole is also being led by the Corporate Leadership to ensure that the breadth and depth of services that we continue to offer align with our corporate priorities and our funding envelope.

11.9 In terms of reserves, the Council has seen these grow over the last 5 years as illustrated in the tables below. Whilst some of the reserves are held for specific purposes, many are at the discretion of the Council and could be utilised to support areas of need should the Council run into financial difficulties. As can be seen, both the earmarked reserves and the working balance have grown over the last five years funded in large part by windfalls of business rates retention, year-end surpluses and specific grants.



- 11.10** The requirement for financial reserves is acknowledged in statute. Section 32 and 43 of the Local Government Finance Act 1992 requires billing authorities to have regard to the level of reserves needed for meeting future expenditure when calculating the budget requirement.
- 11.11** The Council's earmarked reserves are set in July of each year by the Executive Committee with scrutiny being undertaken on a quarterly basis by both the Executive Committee and the Overview and Scrutiny Committee. The earmarked reserves contain specific project and service reserves as well as risk and forward management reserves. The overall level of reserves is considered to be good and places the Council in a low risk position as highlighted by the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Index at 11.5
- 11.12** The General Fund balance on its own is low when comparisons are made with other District Councils and will require additional monies being added to it at the earliest opportunity. However, in making judgement about the adequacy of reserves, bringing both allocated and unallocated reserves together gives assurance that the overall level of reserves is acceptable.
- 11.13** Overall, I am satisfied that the projected levels of reserves and balances held by the Council are adequate for the forthcoming year but we will continue to review the position as necessary to ensure adequacy of reserves for future years.

12.0 CONSULTATION

- 12.1** Consultation on the budget has taken place with the Transform Working Group. In addition, a public and business consultation has taken place on general budgetary principles.

13.0 OTHER OPTIONS CONSIDERED

- 13.1** The proposal within this report is for the Council to increase Council Tax by £5 or 3.72% which is the maximum allowable for Tewkesbury under current referendum thresholds. In producing a balanced budget proposal, officers have considered a number of options for Council Tax. A summary of different levels of Council Tax is shown in the table below alongside the impact on the Council's on-going deficit.

Table 10 – Council Tax increase options

Council Tax 22/23	Council Tax 23/24	Increase	Increase	Ongoing income produced	Ongoing savings required
£134.36	£139.36	£5.00	3.72%	£183,907	£0
£134.36	£134.36	£0.00	0.00%	£0	£183,907
£134.36	£135.36	£1.00	0.74%	£36,781	£147,125
£134.36	£136.36	£2.00	1.49%	£73,563	£110,344
£134.36	£137.36	£3.00	2.23%	£110,344	£73,563
£134.36	£138.36	£4.00	2.98%	£147,125	£36,781
£134.36	£141.86	£7.50	5.58%	£275,860	£-91,953
£134.36	£144.36	£10.00	7.44%	£367,814	£-183,907
£134.36	£149.36	£15.00	11.16%	£551,720	£-367,814

13.2 A range of options are available within the set threshold as detailed within the table. Also highlighted are a number of options that have been suggested as higher monetary thresholds for District Councils. Whilst these are not currently available to the Council without a referendum, the table highlights the additional ongoing income that would be raised by these levels of increased council tax and the percentage uplift on our existing Band D Council tax.

A decrease on the Council Tax has been ruled out given the financial outlook and challenges ahead for the Council.

13.3 It has been necessary to increase Council Tax by £5 in order to meet the financial pressures facing the Council. Whilst lower Council tax increases were considered, these did not provide the income required to fund the demand pressures within services. The use of one-off sums to replace an ongoing income stream is not considered prudent and only results in the need for ongoing savings to be postponed. The use of one-offs to support a budget should only be considered as a last resort.

13.4 The recommended increase in Council Tax is also made against the background of a £6.2m projected deficit over the next five years and the uncertainty about Government policy for local government finance. This leaves the Council in a risky position and it is therefore of paramount importance that the council takes the decision to increase financing streams within its control as and when it can and to their full extent.

14.0 MONITORING

14.1 The delivery of the annual budget is monitored on a monthly basis and reported formally to both Executive Committee and Overview and Scrutiny Committee on a quarterly basis.

15.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

15.1 In line with Medium Term Financial Strategy approved by Council on 24 January 2023.

Background Papers: Medium Term Financial Strategy

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Appendices: A - Growth proposals
B – 2022-27 Capital Programme
C – Detailed estimates 2023/24