



Report to Council

Date:	22nd February 2023
Reference number:	N/A
Title:	Medium-term Financial Plan 2023/24 and Capital Programme 2023/24 to 2026/27
Relevant councillor(s):	Cllr Martin Tett - Leader
Author and/or contact officer:	Dave Skinner, Service Director –Finance Matt Strevens, Head of Corporate Finance, ext. 3181
Ward(s) affected:	All
Recommendations:	Council is asked to: <ul style="list-style-type: none">- approve the Revenue Budget and Capital Programme (Appendices 1-3).- approve the Council Tax Resolution (Appendix 4).- approve the ‘Special Expenses’ budgets, precepts and associated services for Aylesbury Town, High Wycombe Town and West Wycombe Church Yard (Appendix 5 & 6).- approve the proposal to delegate to Cabinet decisions to add up to £100m to the Capital programme, to be funded by Prudential Borrowing (see section 10.6).- approve the Council Tax Reduction Scheme Policy (Appendix 7).
Reason for decision:	To set a robust and legal revenue budget and capital programme for Buckinghamshire Council within the prescribed timeframe. To ensure the council is able to make appropriate additions to the capital programme in a timely manner.

1. Executive summary

- 1.1 The budget presented for approval reflects the Council's response to the current economic position, the Cost of Living pressures and the ongoing recovery and new normal following the Covid-19.
- 1.2 The budget presented is for one year only, due to the high levels of uncertainty resulting from the current high levels of inflation impacting on the cost of delivering services, the impact of the Cost of Living pressures on demand for services, and the impact of the cost of living pressures on services income streams. There are also high levels of uncertainty around government funding levels beyond 2023/24 as the Government looks to balance the wider public finances.
- 1.3 Whilst the revenue budget presented only covers one year, work is ongoing to quantify and manage the future financial position of the council. This ensures that the Council is sighted of and considers its financial sustainability notwithstanding the risks and uncertainties identified in this report.
- 1.4 The Final Local Government Settlement was announced on 7th February 2022. There were no material changes and as such this confirmed the figures published in the Provisional Settlement which form part of these budget proposals.
- 1.5 The budget proposed is built on the proposed Council Tax base and includes a **2.99%** increase in basic Council Tax and a **2%** increase for the Adult Social Care Precept, giving a total increase of **4.99%**. Members should note that the referendum thresholds for 2023/24 are 3% for basic Council tax and 2% for the Adult Social care precept.
- 1.6 The Revenue budget includes inflationary growth of **£30.0m**, unavoidable demand growth of **£33.3m**, savings proposals of **£10.1m** and income increases of **£20.3m** in 2023/24. Furthermore, there is a proposed one-off use of General Fund balances (£1.36m) in 2023/24 in order to produce a balanced budget.
- 1.7 The Capital Programme is presented for 4 years as many schemes span multiple financial years. In total the programme includes **£500.9m** of projects. The Council currently has borrowing headroom of £100m. It is proposed that Council delegate to Cabinet the addition of schemes to the Capital Programme up to this level which have a financially viable business case, subject to due diligence and final Cabinet approval.

2. Content of this report

- 2.1 This report sets out the 1-year revenue budget for 2023/24 and 4-year capital programme for Buckinghamshire Council covering the period to 2026/27.
- 2.2 This is based on the latest estimated funding position, service budget pressures and the key financial risks facing the Council both now and in the future. It also takes into account the findings from the budget scrutiny inquiry.
- 2.3 The Council Tax Resolution report is presented as **Appendix 4**. This agrees the Council Tax to be collected by the Council, the major preceptors (Fire & Police), Special Expenses and Parish Precepts.
- 2.4 This report includes Special Expenses. These are particular costs that are specific to an area not covered by a local town or parish council (e.g. recreational grounds, allotments, community centres markets etc.). There are three special expense areas within the Council; High Wycombe Town Committee, West Wycombe Church Yard and Aylesbury Town. The proposed budgets and resulting precepts are presented in **Appendix 5**.

3. The Corporate Plan

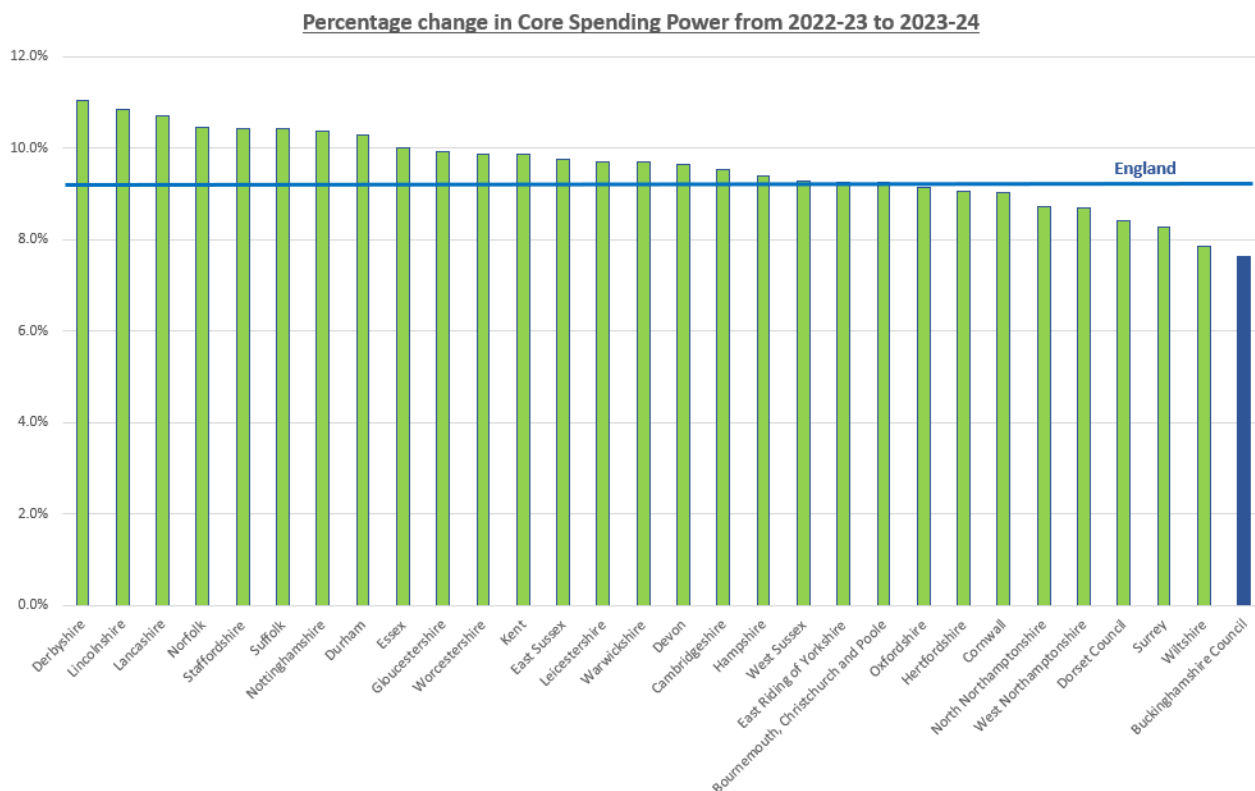
- 3.1 The Corporate Plan is the Council's main strategic business planning document, establishing a golden thread between the Council's priorities, as agreed by elected members, and the activities and budgets required to deliver the organisation's agreed outcomes.
- 3.2 The Corporate Plan will be reviewed in light of the proposed budget and any refresh of the Plan will follow later in the year. The Corporate Plan sets out what the Council wants to achieve and how it will do it, addressing the challenges we face and harnessing opportunities.

4. Local Government Funding

- 4.1 On 17th November the Chancellor presented his Autumn Statement. This statement recognised the impact of the Cost of Living pressures on the economy, and the levels of Public Sector Debt which had been incurred in funding the Governments support and intervention responses to both the Cost of Living pressures and the Covid-19 pandemic. Due to the high levels of this debt the wider public finances have been subject to significant interest rate increases and are subject to ongoing interest rate risk. The immediate impact of interest rate increases has led to a revised set of fiscal

rules under which the Autumn Statement was prepared, and this risk could impact further on the future funding for public services.

- 4.2 The Provisional Local Government Settlement was published on 19th December and set out the individual funding allocations for Councils from the announcements made in the Autumn Statement. This was again a 1 year settlement, which allied with the current economic uncertainties does not provide sufficient certainty for robust and reliable financial planning beyond the coming year.
- 4.3 The Provisional Settlement was in line with the assumptions made as to the likely funding allocations the Council would receive based on the Autumn Statement announcements and has not resulting in any additional savings requirements.
- 4.4 Prior to the Provisional Settlement the Government issued a Local Government Finance Policy Statement on 12th December 2022, intended to provide more clarity in terms of their approach to the Local Government Settlement for 2024/25. The primary areas of clarity given were;
 - a) Confirming that the Council Tax referendum thresholds for 2024/25 will be 3% for basic Council Tax and 2% for the Adult Social Care precept;
 - b) The continuation of the 2023/24 approach to the calculation of the Local Government Settlement;
 - c) Potential additional future funding from 2024/25, with potentially additional costs arising from the planned Extended Producer Responsibility for Packaging (pERP) scheme .
- 4.5 Whilst the Provisional Settlement appears to include welcome and expected increases in funding for Local Government above previous levels, the quantum added is not likely to be sufficient to address either the current high levels of inflation (circa 11%) or the broadly recognised levels of underfunding and increasing demand which currently exist.
- 4.6 The Final Local Government Finance Settlement was announced on 8th February. This confirmed the figures published in the Provisional Settlement.
- 4.7 Under the formula used to calculate shares of available funding through the Local Government Settlement the Core Spending Power (the Governments preferred measure of change in funding including Council Tax) shows an increase in funding of 7.6% for Buckinghamshire Council. Increases in core spending power are complex and determined by estimated level of need and are weighted towards lower tax-base authorities. Despite the fact that this assumes Council tax is maximised, by this measure the Council the has received the lowest increase in Core Spending Power for any comparable Local Authority, one of only nine of the comparable 28 authorities to receive less than the average for England. Our increase is 1.6% below the average increase for England.



5. Council Tax

- 5.1 The Secretary of State announced that the basic Council Tax Referendum threshold will be 3% for 2023/24.
- 5.2 In addition, there is the ability to levy an Adult Social Care Precept of up to 2%.
- 5.3 Given the current financial troubles a number of Councils are facing Slough and Thurrock and Croydon have been given individual Council Tax Referendum thresholds, with Slough and Thurrock able to increase Council Tax by an additional 5% and Croydon by an additional 10%.
- 5.4 The budget proposed includes **an increase of 4.99% in the Average Band D Council Tax**. This comprises a **2.99%** increase in the basic element of Council Tax and a **2%** increase in the Adult Social Care precept. For an average Band D Council taxpayer this represents an additional £1.61 per week.
- 5.5 These proposals support maintaining front line services to residents in the face of increased demand, lost income, and exceptionally high levels of inflation whilst remaining within the referendum threshold.
- 5.6 The Council Tax Resolution, which sets out and agrees the levels of Council Tax for the Council and all preceptors, is attached as **Appendix 4**.

- 5.7 In Aylesbury Town, High Wycombe Town and West Wycombe Church Yard there are 'Special Expense' areas in operation. This is an additional Council Tax charge for residents in these areas and reflects costs incurred by the Council which would normally be the responsibility of a parish or town council. Details of the proposed 'Special Expenses' budgets and precepts, and the services included within this charge can be found in **Appendices 5 & 6**.
- 5.8 The charge for Special Expenses forms part of the calculation of the Council Tax referendum threshold. The proposals presented include increases to these charges, which impact the actual values for Buckinghamshire Council on all Council Tax bills. As such increases on bills will not reflect headline percentage increases.
- 5.9 The Council Tax Reductions (CTR) Scheme Policy has changed compared to last year as it includes the discretionary element of the Council Tax Reduction Scheme related to the Government's Cost of Living package as well as the usual updating of values used in line with Government changes to welfare benefits that are used in the calculation of CTR (see Section 7).

6. Business Rates

- 6.1 The share of Business Rates which the Council retains is based on the Local Government Funding Formula, and an element of growth above the baseline figure. Both actual Business Rates and the Council's retained element are now uplifted by the Consumer Price Index on an annual basis. Given the current exceptionally high levels of inflation this delivers a significant increase in retained Business Rates receipts for the Council, but presents a challenge for businesses in the current economic environment.
- 6.2 The Chancellor has announced as part of the economic response package that this uplift in Business Rates will be frozen for businesses in 2023/24. This will support businesses by insulating them from this significant increase in the rates they pay. It was also announced that Councils will be compensated for this loss of income through additional grant funding.
- 6.3 The Business Rates system includes a 'safety net', below which the Government will compensate Councils for lost income. Given the growth in Business Rates over recent years Buckinghamshire Council's Business Rate receipts continue to remain above this safety net.

7. The impact of the wider economic position on the Council's budgets

- 7.1 The national and global economy has been subject to a number of significant and overlapping shocks over recent years. The Covid-19 pandemic disrupted global trade and required significant financial intervention from governments around the globe, and the Russian invasion of the Ukraine and the subsequent political responses have had a large impact on the price of globally traded commodities such as grain and gas.
- 7.2 The impact of this has been a rapid and significant increase in the rate of inflation in the UK to above 10%. This inflationary pressure is exacerbated by a tightening in the available workforce, which is supporting higher pay inflation
- 7.3 The Bank of England, acting under its remit to manage inflation to a 2% target has consistently increased the Bank Base Rate, from a low of 0.1% in December 2021 to 4.0% in February 2023. The expectation is that interest rates will continue to rise to around 4.5% by mid-2023 and then fall back to approximately 3.25% by 2026, with an expectation that inflation will fall below the 2% target by mid 2024.
- 7.4 As a consequence of the pressures above the UK economy is close to entering a period of recession. Recent months have seen positive growth, but it is expected that these reflected a temporary 'bounce' in response to the Football World Cup and Christmas.
- 7.5 Nationally the Government has taken steps to respond to the prevailing economic shocks, substantially increasing borrowing both to fund the response to the Covid-19 pandemic and in making policy decisions to help its citizens and Businesses through the subsequent Cost of Living pressures. This dramatic increase in Government borrowing will place pressure on Government spending priorities in future years as debt repayment costs have increased in line with the Bank of England base rate.
- 7.6 Nationally high global inflation, a tight labour market and the resultant domestic price pressures have shaped the Council's budget through;
- a) Significant inflationary pressures to maintain services at existing levels. Inflation is variable across different services dependent on the main cost drivers in different services;
 - b) Inflation of 20% across the construction industry impacting across the Capital Programme;
 - c) Pay pressures in light of the National Joint Committees pay award for other Local Government Employers;
 - d) Pressures across the NHS resulting in a higher demand for early hospital discharge, with subsequent higher needs of those discharged;

- e) Increased demand for Social Care places, both with continuing pent-up demand from the pandemic and as a consequence of the impact of the pandemic on mental health;
 - f) Supply-side pressures in Social Care as Social Care wages fail to keep pace with the private sector;
 - g) Demand and costs of supporting the vulnerable as the impact of the Cost of Living pressures is felt across multiple service areas;
- 7.7 All of which are set against the need to invest in the local economy to support jobs and growth and regeneration of town centres.
- 7.8 The complexity and inter-connectedness of these impacts has been central to the ongoing review of these budget proposals. Whilst some of these impacts may be short-term and will dissipate as the economic environment returns to a more stable footing, others are likely to be longer-term and present a new baseline against which the Councils services will operate.
- 7.9 The robustness of existing and new budget proposals will continue to be monitored as part of normal financial management protocols and future plans will be produced to respond to the current volatile environment.

8. Budget Scrutiny review

- 8.1 During the week commencing 9th January the Draft Budget was reviewed and challenged by the Finance & Resources Select Committee (Budget Scrutiny task & finish group).
- 8.2 The Committee made nine recommendations, six of which were fully agreed and the other three were accepted in part. The more general recommendations focussed on visibility of potential future capital schemes and the use of capital investment to support revenue savings. Specific recommendations focussed on developing a sustainable CCTV strategy, reviewing administration costs of Community Boards, the level of Agency staff costs, the location of the Buckinghamshire Archives, alternative solutions to Temporary Accommodation and direction and leadership of the Visitor Economy Strategy.
- 8.3 The report and response from Cabinet is set out in **Appendix 10**.

9. Revenue Budget 2023/24

- 9.1 The revenue budget covers the period 2023/24. Whilst it is recognised that best practice in financial planning requires a multi-year Medium-term Financial Plan

covering 3 to 4 years, the levels of uncertainty in the current economic environment and in relation to future Local Government Settlements would make the production of such a plan subject to such significant risks and uncertainties as to become irrelevant. In recognition of this the Council has prepared a one year revenue Budget to ensure proposals made are robust and fully considered. The Council continues to review the position over a 3 year period, to ensure risks and uncertainties are identified and monitored, and this will form the basis of future Medium-term Financial Plans.

- 9.2 Whilst the Local Government Settlement provides funding certainty for 2023/24 and confirms the approach for 2024/25 the trajectory of inflation and service demand are very difficult to predict beyond 2023/24. Inflation is being experienced very differently in different services dependent on the specific cost drivers for that area of activity. Given the global and geo-political impacts on inflation this gives rise to significant uncertainty in forecasts presented as part of this budget.
- 9.3 The Revenue budget includes inflationary growth of **£30.0m**, unavoidable demand growth of **£33.3m** offset by savings proposals of **£10.1m** and income increases of **£20.3m**. As a result, overall Portfolio net revenue budgets are set to increase by **£33.1m (7.8%)** in 2023/24.
- 9.4 The main areas of budget increases are the Health and Wellbeing, Education & Children's Services, Homelessness & Regulatory Services and Transport portfolios. These portfolios have experienced the highest budgetary impact from the pressures identified above, and in combination account for 89% of growth and 87% of inflation added to the budget.
- 9.5 The **Accessible Housing & Resources** portfolio budget has increased by **£3.2m (5.9%)**. Inflation and growth contribute £5.0m to this growth, with savings and increased income of £3.3m, most notably from new property income rental streams. The balance of £1.5m relates to one off changes and changes to the allocation of grant funding.
- 9.6 The **Climate Change & Environment** portfolio budget shows an increase in expenditure offset by significant new income arising from the sale of Electricity from the Energy from Waste plant. The portfolios budget proposals include savings of £421k, largely from contract efficiencies. Overall, within this portfolio, gross expenditure is increasing by **£1.3m** and gross income by **£13.1m**.
- 9.7 The **Communities** portfolio budget is reducing by **£0.5m (6.6%)**. This is from savings in the cost of supporting of Community Boards.
- 9.8 The **Culture & Leisure** portfolio is reducing by **£0.3m (5.6%)**. Savings and income from Leisure contracts contribute £0.7m to this total, with the balance being one-off costs.

- 9.9 The **Education & Children's Services** portfolio is increasing by **£13.8m (15.4%)**. Growth in demand, current market conditions and inflation on costs have seen the budget increase by £16.3m, which is offset by savings of £2.8m. Within this portfolio the ring-fenced Dedicated Schools Grant, which has to be spent on specified education purposes, has increased £54.1m (10%).
- 9.10 The **Health & Wellbeing** portfolio is increasing by **£20.3m (12.4%)**. Inflation of £14.8m and growth in demand and complexity of £10.1m have contributed significantly to the increase in this budget. Saving from reviewing service delivery models and additional income from clients offset these pressures by £4.6m.
- 9.11 The **Homelessness & Regulatory Services** portfolio is increasing by **£3.0m (44%)**. Growth in requirements for Temporary Accommodation have increased this budget by £3.6m, which is offset by additional income of £0.5m across several service areas.
- 9.12 The **Leader's** portfolio is reducing by **£0.7m (11%)**. This reduction is through savings of £1.1m from management and efficiency reviews, offset by a loss of external income of £0.4m.
- 9.13 The **Planning & Regeneration** portfolio is reducing by **£0.1m (1.9%)**. This reduction is through system efficiencies and increased income.
- 9.14 The **Transport** portfolio is increasing by **£6.4m (11.5%)**. Inflation of £6.1m and growth of £3.8m contribute significantly to the growth in the portfolio budget, and are offset in part by increased income of £2.2m and savings of £1.1m across several activities. The most significant area of growth within the portfolio budget is in the cost of transportation for clients and Home to School Transport, which has increased by £5.0m (15.1%).
- 9.15 As previously stated there remains significant risk within the budget proposals presented. Contingency budgets, which are used to manage ongoing risk and uncertainty in the budget, are maintained in line with the risks and uncertainties identified within this report. The proposed level of contingency budgets can be found in **Appendix 1**.
- 9.16 The forecast General Fund balance for the Council after the recommendations in the budget is expected to be approximately **£47m** at the end of 2023/24 (depending on the final outturn for 2022/23). This balance represents **9.5%** of the net operating expenditure and provides one-off coverage against immediate risks to the budget. A ratio of 5% of net revenue expenditure is the generally accepted minimum prudent level of General Fund reserves and the Council's General Fund reserves is forecast well above this level at the end of 2023/24. The budget proposed includes a one-off use of **£1.36m** of General Fund balances and **£2.44m** from Earmarked Corporate Reserves to produce a balanced budget.

- 9.17 The overall revenue budget, with each Portfolios element expanded, can be found in **Appendix 1**. Details of all proposed budget changes can be found in **Appendix 3**.
- 9.18 This budget reflects prudent estimates of funding and expenditure pressures and savings proposals to ensure the ongoing sustainability and resilience of the Council.

10. The Capital Programme

- 10.1 During 2022/23 a review of the capital programme was undertaken in light of the significant levels of inflation being experienced on construction projects. This identified the scale of the pressures on the previously agreed Capital Programme and proposed the delay or reprioritisation of schemes in order that the programme remained within the available levels of funding. The development of this latest capital programme built on this review to reprioritise the available funding to best meet the ambitions of the Council.
- 10.2 The resulting capital programme sees £500.9m invested over the 4 years to 2026/27, with £165.9m of investment in 2023/24.
- 10.3 Key areas of investment within the programme are;
- a) £33.7m to support Economic Growth & Regeneration;
 - b) £142.5m on schools, and school improvement projects;
 - c) £128.1m on Strategic Highways maintenance including;
 - i. £63.1m on major highway resurfacing schemes;
 - ii. £17.7m on Plane & Patch (smaller planned and reactive repairs);
 - iii. £12.0m on Failed Roads;
 - iv. £8.6m on Footway repairs;
 - v. £8.0m on Drainage to help reduce flooding on our roads;
 - vi. £6.8m on Street Lighting repairs, replacement and maintenance.
 - d) £91.0m on Strategic Transport & Infrastructure;
 - e) £20.7m investment in Waste, primarily on vehicle replacement and a household recycling centre in Buckingham;
 - f) £22.4m to support Housing and Homelessness including affordable housing action plans and disabled facilities grants;
 - g) £14.3m on Climate Change and Flood Management.
- 10.4 The overall Capital programme and each Directorates element of the Programme can be seen in **Appendix 2**.

- 10.5 The Council’s authorised borrowing limit currently allows for £100m of additional prudential borrowing should the need arise.
- 10.6 In order to allow schemes which have a robust and financially viable business case to be added to the Capital Programme it is proposed that **authority be delegated to Cabinet to add up to £100m worth of schemes to the capital programme, to be funded through prudential borrowing, subject to a robust business case being approved.**

11. Council Tax Reduction Scheme Policy

- 11.1 The Council Tax Reduction Scheme Policy require approval on an annual basis.
- 11.2 The scheme in respect of pension age applicants is updated annually reflecting the changes made by Central Government. Buckinghamshire Council’s Local Council Tax Reduction Scheme (LCTRS) includes an additional appendix, detailing arrangements named by Central Government as the ‘Council Tax Support Fund’ and is designed to meet the immediate needs of all taxpayers who are currently claiming Council Tax Reduction. The mandatory element is to award all recipients of Council Tax Reduction (both working age and pension age) with a further reduction in their annual council tax bill of up to £25. This reduction will apply to all Council Tax Reduction recipients who have an outstanding liability for the 2023-24 financial year. Discretion is sought to continue to make similar discretionary payments to all applicants who become eligible for Council Tax Reduction for the first time after 1 April 2023, particularly those facing hardship under section 13a 1 (a) Local Government Finance Act 1992.
- 11.3 The updated policy is available as **Appendix 7**.
- 11.4 **It is recommended that the Council Tax Reduction Scheme Policy be approved.**

12. Financial Risks

- 12.1 Whilst every effort is made to ensure the budget proposals are robust, deliverable and support financial sustainability there are significant risks identified in the proposed budget.
- 12.2 The table below identifies the key risks to these budget proposals:

Inflation and national economic conditions	Global economic instability, along with supply chain interruptions are continuing to impact on inflation levels within the UK economy, which are currently above 10%. This will impact both in terms of pay
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	<p>pressures and the costs of our supply chain. Whilst Covid-19 related factors are diminishing, the impact of geo-political tensions and conflict are significant and uncertain. As such forecasts are that inflation will return to more normal levels, but the longevity and voracity of these impacts is uncertain.</p> <p>Given the response to inflation has been to increase interest rates, it is forecast that the United Kingdom will enter a period of recession for approximately 2 years. This may impact both costs through increased demand for services and funding through reductions in local tax receipts.</p>
<p>Central Government funding</p>	<p>The Covid-19 pandemic and support for the Cost-of-Living pressures has left the Government with unprecedented levels of debt, and with interest rates rising the Government will have to take decisions to balance the national budget. This may result in reductions to funding available to the Council over the medium-term.</p> <p>The Government has long promised to reform the allocation of funding to Local Authorities. This is now expected to be enacted from 2024/25 at the earliest. Changes to this methodology could have a negative impact on the funding for the Council if our calculated level of need, and hence future funding allocation reduces significantly.</p> <p>The 'Levelling Up' agenda has the intention of reducing regional disparities. Without additional funding to raise the level of funding for higher need areas there is likely to be a movement of funding from 'better' funded areas to those with 'greater' need. This is likely to see funding moved from the South East to those areas assessed as higher need.</p> <p>A number of grant allocations have not been announced for 2023/24, the Local Government Settlement only covered the financial year 2023/24, and assumptions have been made within the Capital programme as to the continuation of current funding to 2026/27.</p>



Geo-political tensions	The current level of political tension across the globe is interrupting supply chains, contributing to the current high levels of inflation, and creating additional burdens on nation states through increased costs in supporting friendly nations in conflicts and through support to those displaced by conflict. The uncertainty and global impact of these tensions and conflicts means that future inflation forecasts and costs of further support are potentially very unpredictable.
Complexity and demand in Social Care & Client Transport	Social care and Client Transport budgets remain subject to significant variations in terms of both demand and inflation. This is being exacerbated by the pressure on hospitals to discharge patients to free bed-space. This is seeing clients leave hospital with higher needs than in normal times. Whilst all reasonable efforts have been made to predict these pressures based on information available estimates remain volatile and uncertain.
Social Care Provider market & Care Reforms	<p>The Care Act places a statutory duty for local authorities with responsibility for adult social care in managing the market including, where necessary, making provision for the continuity of care if social care providers close. Although the reforms are now delayed the move to a Fair Cost of Care has seen an increase in fees, however market sustainability remains a concern.</p> <p>In Children’s Social Care the national market has become sub-optimal, with demand significantly outpacing supply. This has contributed significantly to increasing placement costs in the current year. Whilst these are expected to continue in the short-term, this draft budget assumes a partial rebalancing of supply and demand in the medium-term.</p>

- 12.3 A robust risk management approach will be taken to monitor, manage and mitigate these risks through the delivery of these draft budget plans.
- 12.4 Whilst the revenue budget proposals within this report include reserves and contingencies against these increased risks, our General Fund (non-allocated) balances are also at a reasonable level. These balances are held against the risk of unforeseen events, such as the pandemic, and provide a strong buffer against



unexpected events. Close management of these risks is required to ensure the sustainability of the Council.

- 12.5 Given the number of local authorities whose financial struggles have been reported in the sector and national press over recent years, financial risk has been externally benchmarked using the Chartered Institute of Public Finance and Accountancy's (CIPFA) Resilience Index. This Index allows Local Authorities to assess and compare their financial resilience against a number of measures covering Reserves, funding risk, and exposure to Social Care demand risk. The data has been reviewed and the Council falls into the lower half of the risk assessment for all measures.

13. Legal and financial implications

- 13.1 This is a Finance report and all the financial implications are included in the report.
- 13.2 The Council is required under the Localism Act 2011 to set a council tax requirement for the authority. This report provides information which will support the council tax requirement proposed within this report, together with a budget for 2023/24 and a four-year Capital Programme.
- 13.3 The Council is required to set a balanced budget taking account of balances and any other available reserves before the commencement of the financial year to which it relates. The Local Government Act 2000 states that it is the responsibility of the Full Council, on the recommendation of the Cabinet, to approve the budget and related council tax requirement.
- 13.4 The Council has a fiduciary duty to council tax payers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term, the need to strike a fair balance between the interests of the Council Tax payers and ratepayers and the community's interest in adequate and efficient services and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers. Some savings proposals may need individual detailed consultation, and this will be carried out before decisions on those proposals are made.

14. Corporate implications

- 14.1 Actions resulting from consideration of this report may influence future expenditure in areas of concern / interest. Equalities impact screening will be undertaken for all significant new proposals within the budget, and full Equality Impact Assessments will be produced as projects are fully developed and where this is deemed necessary.

15. Consultation and communication

- 15.1 A public consultation on priorities and budgets was conducted between 12 October and 20 November 2022. The results have been reviewed by Cabinet alongside the draft budget report.
- 15.2 The response this year was a significant improvement over last year, with 1,805 responses received, and 1,797 of these responses being from residents.
- 15.3 For residents, care and support services for older people and vulnerable adults, road maintenance and educational services such as childcare, pre-schools and school admissions were selected by the highest proportion of respondents. These views reflect results from previous budget consultations. When asked to choose services that should not be prioritised, car parking, culture and tourism, and Public Health services were selected by the highest number of respondents. When asked to suggest other priorities to consider, the most frequently mentioned themes related to roads and pavement repair and maintenance, road infrastructure and housing.
- 15.4 Organisations' ranked priorities were similar to residents', but they placed higher priority on services to attract and support local businesses and community safety. Similarly, the services they would least like to prioritise included culture and tourism, maintaining Rights of Way, and planning services.
- 15.5 There were mixed views towards the proposed allocation of Buckinghamshire Council's annual budget for 2023-2024 from both residents and organisations, with stronger agreement (34%) than disagreement (30%).
- 15.6 Further consultation has taken place with the Buckinghamshire Business Group on the 2nd February 2023 following approval of the draft budget by Cabinet. There was general support for the approach taken and the resulting budget. Their response is available as **Appendix 8**.

16. Background papers

Appendix 1 – Revenue Budget.

Appendix 2 – Capital Programme.

Appendix 3 – Detailed Revenue Budget changes.

Appendix 4 – Council Tax Resolution.

Appendix 5 – 'Special Expenses' budgets and precept.

Appendix 6 – 'Special Expenses' activities.

Appendix 7 – Council Tax Reduction Scheme Policy.

Appendix 8 – Buckinghamshire Business Group budget consultation response.

Appendix 9 – Overall Equalities Impact Assessment.

Appendix 10 – Budget Scrutiny Recommendations 2023 and Cabinet response.

