



Report to Cabinet

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| Date: | 4 th January 2024 |
| Title: | Draft Revenue budget and Capital Programme |
| Cabinet Member(s): | Cllr Martin Tett - Leader |
| Contact officer: | David Skinner, Director of Finance & S151 Officer david.skinner@buckinghamshire.gov.uk |
| Ward(s) affected: | All |
| Recommendations: | Cabinet is asked to; <ul style="list-style-type: none">- approve the Draft Revenue Budget and Capital programme.- note and consider the outcome of the Budget Consultation (Appendix 1).- Agree the Schedule of Fees & Charges for 2023/24 (Appendix 2).- note the current risks associated with the draft budget proposals.- agree the proposal that delegation be sought from Council to Cabinet for up to £100m of new capital schemes, funded through Prudential Borrowing, to be added to the Capital programme where robust financial business cases are made.- note that a supplementary report, the formal Council Tax Resolution, will accompany the final Budget to full Council. |
| Reason for decision: | To approve a draft budget and capital programme that can then undergo scrutiny and challenge prior to the final budget for Buckinghamshire Council being presented to the Council for approval on the 21st of February 2024. |

1. Executive summary

- 1.1 The Draft Revenue Budget is for the financial years 2024/25 – 2026/27. The financial position for the Council is extremely challenging with significant pressures identified in relation to both inflation and ongoing increases in demand for key services, in line with those being experienced nationally. The Council discharges more than 1300+ statutory duties and is facing increased demand pressures in key services such as Adult Social Care, Children’s Services, Home to School Transport and Temporary Accommodation. This year has become the most difficult to date in responding to these challenges whilst delivering a balanced budget, and this has been achieved through a significant programme of additional savings and income.
- 1.2 The Council has a strong track record of delivering savings with £45m delivered in the first 3 years, a further £30.4m of income and savings currently budgeted for delivery in 2023-24. A further cumulative programme of £96.1m of new income and savings has been identified as part of the 2024-25 Draft Budget.
- 1.3 The draft budget proposed is built on the proposed Council Tax base and assumes 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%. This is the maximum allowable without triggering a local referendum and is below the average rate of inflation experienced during 2023/24.
- 1.4 The Provisional Local Government Finance Settlement was published on 18th December and provides details of provisional central government funding allocations for 2024/25. Given the timing it has not been possible to fully consider the implications of these figures, and as such this Draft Budget is based on estimates consistent with the Autumn Statement and Funding Policy Statement. The implications of the Provisional Settlement will be fully considered in the Final Budget.
- 1.5 Whilst this budget provides the best available estimates for the 2024/25-2026/27 financial years, there is significant risk around future income, cost and funding projections. The external environment is continuously monitored, and significant and material changes will be reported and included within the final budget presented to full Council on 21st February.
- 1.6 The Capital Programme is presented for 4 years as many schemes span multiple financial years. In total the programme includes £562.8m of projects. As with previous years it is proposed that **a recommendation is made to Council in February for delegation to be given 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.** This will enable additional priorities, such as

regeneration and housing projects, to come forward and be added to the capital programme once positive business cases are fully developed.

- 1.7 The Council Tax Resolution report will be presented as a separate report as part of the final budget in February and will contain the final information from the other precepting authorities leading to the total Council Tax for the area, which full council is required to approve.
- 1.8 This report does not include special expenses budgets. Discussions are ongoing with the relevant committees to agree special expenses budgets for 2023/24, and these will also be presented alongside the final budget. The level of precept charged in Special Expenses areas forms part of the Council tax referendum threshold calculation, so final Council Tax levels cannot be finalised until this matter is agreed.

2. Fees & Charges

- 2.1 A review of Fees & Charges has been undertaken as part of the development of the budget proposals included in this report. The starting assumption was that Fees & Charges should be uplifted by 7%, as this was the inflation rate at the time the review was initiated. Portfolios have reviewed the options to achieve a balance to increases in fees & charges, and the results are reflected in the Revenue budget proposals presented.
- 2.2 The schedule of proposed Fees and Charges for 2023/24 is included as Appendix 3.
- 2.3 Charges for Traded Services to other organisations (including Schools) are not included in this schedule, however it is proposed these should also be increased by 7%.

3. Financial Risks and uncertainties

- 3.1 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 draft budget, both in terms of delivery of proposed savings and also in managing future demand pressures. Details of the key risks to the budget are included in the Draft Budget Report at Appendix 1 and include:
 - Inflation and national economic conditions
 - Central Government funding changes
 - Growth in demand and complexity in Social Care, Temporary Accommodation, SEND and Home to School Transport
 - Market sustainability and supplier failure
 - Loss of income across a range of services

- 3.2 A robust risk management approach will be taken to monitor, manage and mitigate these risks through the delivery of these draft budget plans.
- 3.3 Balanced against risks are the level of reserves and contingencies including the General Fund (non-allocated) balances which is held at a level of approximately 10% of Net Operating budget. These balances are held against the risk of unforeseen events and provide a strong buffer against unexpected events. Close management of these risks is required to ensure the sustainability of the Council.

4. Legal and financial implications

- 4.1 This report is fundamentally about the financial position of the Council and implications are covered within the body of the report.

4a Director of Legal & Democratic Services comment

- 4.2 The Director has read and approved the report.

4b Section 151 Officer comment

- 4.3 The Draft Budget & Capital Programme sets out how the Council can deliver a robust and balanced budget to remain financially sound over the short, medium and longer term.

5. Equalities

- 5.1 When considering the budget, it is necessary to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. A headline EqIA is attached.
- 5.2 At this stage the majority of the draft proposals are at a high level, and we are unable to ascertain how they may or will specifically impact on our communities and the people within them until the proposals are more detailed. We are however aware that reductions in services or increases in fees or charges are more likely to impact on those who are already vulnerable, including older people, those with disabilities, carers, those facing financial difficulty and those in more deprived areas of the authority. Where the proposals will deliver service improvements, changes to services or targeted interventions these will also impact on those groups.
- 5.3 Once draft proposals are agreed and the further options and parameters identified, the proposals will each be subject to their own EqIAs as appropriate, consultation and assessment procedures to allow all relevant factors to be taken into account.

6. Corporate implications

- 6.1 The Draft Revenue Budget and Capital Programme supports the delivery of all of the Council's aims and priorities, which are set out in the 2020-25 Corporate Plan:
- i. increasing prosperity
 - ii. strengthening our communities
 - iii. improving our environment
 - iv. protecting the vulnerable
- 6.2 Actions resulting from consideration of this report may influence future expenditure in areas of concern / interest.

7. Local councillors & community boards consultation & views

- 7.1 A public consultation on priorities and budgets was conducted between 31 August 2023 and 15 October 2023.
- 7.2 1,486 Buckinghamshire residents and seven representatives of organisations completed the 2024/25 budget consultation online.
- 7.3 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. When asked to choose services that should not be prioritised, public health services, culture and tourism, and sport and leisure 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 pavements and environment.
- 7.4 The Youth Voice Bucks Executive Committee were also invited to comment on the budget proposals, as part of the consultation. Youth Voice is a space for young people aged 11-19, and up to 25 if they have a Special Education Need or Disability, to speak about issues that are important for young people. A copy of their letter in response to the consultation is included at Appendix 1 to the Draft Budget
- 7.5 A full report on the results of this consultation exercise, including engagement with Youth Voice, can be found as **Appendix 1** to the Draft Budget report.

8. Next steps and review

- 8.1 In mid-January the Budget Scrutiny Committee will review the budget proposals made by each Portfolio Holder and make recommendations on potential changes to the budget.
- 8.2 Following the announcement of the Final Local Government Settlement, the implications of these announcements will be considered, and amendments may be required to the draft budget. Options will be discussed and agreed by officers and members and any changes presented as part of the final budget.
- 8.3 Further consultation will also be undertaken with Bucks Business Group. Any further feedback from residents and wider stakeholders on this draft budget will also be considered.
- 8.4 The final budget will be presented to Cabinet on 13th February 2024, and then the Full Council on 21st February 2024.

9. Background papers

Draft Revenue Budget and Capital programme 2024-25 to 2026-27

Appendix 1 – Budget consultation results.

Appendix 2 – Schedule of proposed Fees & Charges.

Appendix 3 - EQIA

10. Your questions and views (for key decisions)

- 10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by email democracy@buckinghamshire.gov.uk