



Report to Cabinet

Date:	2 nd January 2025
Title:	Draft Revenue Budget and Capital Programme
Cabinet Member(s):	Cllr Martin Tett - Leader
Contact officer:	David Skinner, Service Director Finance Matt Strevens, Head of Corporate Finance, ext. 3181
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 2025/26 (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 26th of February 2025.

1. Executive summary

- 1.1 The Draft Revenue Budget is for the financial years 2025/26 – 2027/28. The financial position for the Council is extremely challenging with significant pressures, in line with those being experienced nationally. The Council discharges more than 1,300 statutory duties and is facing increasing demand pressures in key services such as Adult Social Care, Children’s Services, Home to School Transport and Temporary Accommodation. Responding to these pressures whilst delivering a balanced budget remains challenging and once again this has only been achieved through a significant programme of additional savings and income.
- 1.2 The Council has a strong track record of delivering savings with £116.8m of income and savings currently delivered since 2020-21. Further savings and additional income of £115.6m have been required as part of the 2025-26 Draft Budget. This takes the total value of savings required by 2027/28 to £232.4m, or 52.8% of the Council’s first budget in 2020/21.
- 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.
- 1.4 The draft budget is based on estimates consistent with the Autumn Budget and Local Government Funding Policy Statement. This set out a new deprivation-based approach to the allocation of additional funding in 2025/26 which the draft budget reflects. The government has also reconfirmed their intention to implement a full reform of local government funding from 2026/27 through multi-year settlements.
- 1.5 The Provisional Local Government Finance Settlement was published on 18 December 2024 and provides details of provisional central government funding allocations for 2025/26. Given the timing of this announcement it has not been possible to fully consider the implications of these figures for the draft budget, however they will be fully reflected in the Final Budget.
- 1.6 Whilst this budget provides the best available estimates for the 2025/26 - 2027/28 financial years, there is significant risk around future income, cost and especially future Local Government 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 26th February.
- 1.7 The Capital Programme is presented for 4 years as many schemes span multiple financial years. In total the programme includes £612.5m 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.

- 1.8 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.
- 1.9 This report does not include special expenses budgets. Discussions are ongoing with the relevant committees to agree special expenses budgets for 2025/26, 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 5%. 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 2025/26 is included as Appendix 2.
- 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 5%.

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 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
 - The removal of the DSG High Needs Deficit 'Statutory Override'
 - Market sustainability and supplier failure

- Loss of income across a range of services
- 3.2 The Council has changed its approach to managing risk and no longer holds budget risk contingencies. The revised financial risk management approach focuses on ensuring budget estimates are robust, enhancing our approach to in-year action plans and ensuring that immediate risks can be covered by risk reserves and provisions.
- 3.3 Balanced against risks are the level of reserves 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

The Director has read and noted the report.

4b Section 151 Officer comment

This is a section 151 officer report.

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 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 29th August and 13th October 2024.
- 7.2 Results of this exercise are attached as Appendix 1.

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 11th February 2025, and then the Full Council on 26th February 2025.

9. Background papers

Draft Revenue Budget and Capital programme.

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 by 5pm on 30 December 2024. This can be done by email democracy@buckinghamshire.gov.uk