

Dear Chair, Vice Chair and members of the Corporate Policy & Resources Committee.

Please find enclosed the following information in respect of the draft 2023/24 Revenue Base Budget for each Cost Centres that make up your Committee:

- Committee Net Expenditure Base Budget Summary 2023/24 – high level.
- Cost Centre Base Budgets 2023/24 – detail – **to follow later this afternoon as we are resolving a minor formatting issue.**
- Fees & Charges 2023/24
- Growth bids 2023/24
- Savings bids 2023/24
- Capital bids 2023/24 – no impact on Revenue base budget

This is a change from last year, as officers are sending you the whole budget pack in one go.

Please note that Officers have removed the lapsed growth bids from each Cost Centre Base Budget at 1 April 2023 and have added on the relevant 2023/24 growth bids, inflationary increases, fees and charges increase and removed the savings bids to arrive at the Cost Centre Base Budget for 2023/24 (detail).

All this information is then provided in the Committee Base Budget Summary – high level overview for your Committee.

Capital growth bids do not impact on your Committees Revenue Base budgets and are shown for completeness, and will form the basis of Council's Estimated Capital Programme for 2023/24 to 2027/28. Once approved by the Committee and CP&R, prior to Council's approval in February.

Please note the following:

- Fees & Charges have been increased in accordance with Council's instruction, i.e., Concessionary fees by 5% and Statutory Fees, the council charge the maxima.
- Cost Centre budgets have been increased in line with the inflation parameters advised by Council (may be subject to change as Council will have to assess how they want officers to deal with the current inflation forecasts) average
 - 5% cost inflation,
 - **Average** 3.54% pay, based on every employee receiving £1,925 increase, this results in the lower grade staff receiving approximately 10% increase and the higher grade staff approximately 2%
 - Please note that inflation is running above average rates in fuel, gas, electricity and food prices and cost of centre budgets reflect this.
- Growth bids – MAT has reviewed the growth bids and has had to accept many of them because there is no choice, i.e., business rates increases arising from the national revaluation taking effect on 1 April. or increases in fuel, electricity and gas. All staffing has been accepted where it complies with Council's guidance of either being a new statutory requirement or is fully funded, noting that there are two bids that have been highlighted in red that do not meet this criteria, therefore, Councillors will have to make a decision on how they proceed, in light of their concerns on the FTE numbers within the Council.
 - Planning appeals – Officers have reviewed the situation and in view of the current challenges in balancing the budget due to the cost of living crisis and

reduced income contributions from KGE have reduced the budget for our planning appeals, should more appeals than expected be requested, Council will have to provide funds from the earmarked reserves, as required.

- Savings bids – a significant exercise was carried out to remove unused budgets from the last three years from cost centres and this has provided over £400k savings across the Council, which will assist to reduce future years deficits.
- Capital bids – these have been prepared for you to review and discuss with officers at your January meeting.

As the Council does have a draft balanced budget for 2023-24, subject to the detail of the Local Government Provisional Funding Settlement just before the Christmas break (we are not expecting any surprises), Committee Members are requested to work to the principle when agreeing the Committee's budget, i.e., if the Committee decide to reduce fees and charge in one area by £5k, then they should look to reduce a cost budget or increase another fee/charge by the same amount in another area.

Once you have reviewed the budgets in your Committee meetings in January, and the Committee has agreed the budgets (Revenue and Capital) any amendments will be adjusted for and the revised full budget will be presented to Corporate Policy and Resources Committee in February for their final review, before submitting the budget to full Council for approval at their February meeting.

Should you have any questions, please do not hesitate to contact me.

Please note that once the Local Government Provisional Funding Settlement has been announced, you will each receive a detailed cost centre base budget that will show all the information, from Council's aggregate net expenditure base budgets (for all Committees) through to the movements on reserve, i.e., the complete budget, providing full details on properties (rents, landlord costs, MRP, loan interest and Sinking fund movements, etc.) Officers will aim to get this to you before the Christmas break, but it is likely that you will receive it in the New Year, giving you time to focus on the individual cost centres within your Committee in the first instance.

Officers have asked Committee Services to allocate some time at your Committee meeting to provide feedback to officers on this year's budget setting process, so that the Committee's views can be taken into account for the 2024/25 Budget setting process.

Wishing you all a peaceful Christmas and a happy New Year.

Kind regards

Paul Taylor
Chief Accountant