

Corporate Policy & Resources Committee

20th January 2025



Title	<i>Corporate Policy and Resources - Draft Detailed budget for 2025/26</i>
Purpose of the report	To review, agree and comment on the draft Budget 2025-26 and recommend the draft Budget for 2025-26 for the Committee to Corporate Policy and Resources Committee
Report Author	<i>Mahmud Rogers Joint Financial Services Manager</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>n/a</i>
Corporate Priority	Resilience
Recommendations	Committee is asked to review, the draft detailed budget for 2025/26 for Corporate Policy and Resources agree any amendments and recommend to February Corporate Policy and Resources Committee
Reason for Recommendation	Councils have a statutory duty to balance their budgets. It is important that we take a medium-term approach in ensuring that we can take action sufficiently early to ensure the Council's Revenue Budget remains financially sustainable.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> A robust budget planning process helps organisations to manage their resources with economy, efficiency and effectiveness 	<ul style="list-style-type: none"> To have a robust and sustainable 2025/26 budget that meets the needs of the service and provides a resilient financial position to the Council as a whole. The 2025/26 Budget planning process commenced in May 2024 and must be completed and approved by Council in February 2025.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Committee reviews and agrees provisionally the draft details budget 	<ul style="list-style-type: none"> Agree a draft Budget for the Committee to put forward to Corporate Policy and Resources Committee to consolidate into the overall Council Budget for 2025-26

1.1 This report seeks to present the draft detailed budget for Corporate Policy and Resources.

2. Key issues

- 2.1 The attached appendix gives full detail of the draft detailed budget proposed for the Committee – both the Service Committee element and the below the line elements of the Budget including Investment Assets. It will be noted that the larger year-on-year movements are mainly in the Investment Assets and other below the line items.
- 2.2 As across other service committees, direct employee costs have increased to reflect the 2.8% uplift under the second part of the local two-year payment deal for staff. National Insurance employer contributions reflect the impact of the increase in the employer's percentage being increased by Government from 1st April 2025 and at same time the reduction in threshold.
- 2.3 Within the Investment Assets budget the most material year-on-year change relates to the provision of £1.6m of refurbishment works of the first floor Round Wood Avenue to maximise our ability to let the space quickly. As refurbishment works the expenditure is treated as Revenue rather than Capital. The void costs for the first floor are £540k per annum. Not completing the refurbishment would prolong the Landlord's void costs. The approved Exit Strategy and Business Plan for the asset assumes income producing rental from March 2027. To achieve these dates the works would need to commence by June this year.
- 2.4 Note the movement in the below the line item for Collection Fund which is showing a £877 surplus for Council tax. This follows an assessment of our surplus and deficit calculation in the light of the revised Collection Fund calculation provided by LG Futures last year, and utilising the expertise of a Collection Fund expert brought in house by the Council. The gain from this is only for the one year and will not recur.
- 2.5 Appendix 1 sets the proposed draft 2025-26 Budget figures at individual code level for each cost centre alongside the 2024-25 figures, and provides commentary on the more material year on year movements.

3. Options analysis and proposal

- 3.1 The Committee has the opportunity to comment on any of the fees and charges, savings or growth items

4. Financial management comments

- 4.1 Proposed growth and savings have been included in the draft detailed budget as per the previous committee.

5. Risk management comments

- 5.1 When considering savings proposals, we need to consider the risk of any adverse impact on service delivery capacity.

6. Procurement comments

- 6.1 n/a

7. Legal comments

- 7.1 Councils have a statutory duty to set a balanced budget.

8. Other considerations

8.1 n/a

9. Equality and Diversity

9.1 When savings involve reductions to service appropriate Equality Impact Assessments need to be undertaken.

10. Sustainability/Climate Change Implications

10.1 n/a

11. Timetable for implementation

11.1 The final revenue budget for 2025/26 should be agreed with the Council Tax resolution by Council 22nd February 2025

12. Contact

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Background papers: There are none.

Appendices:

Appendix 1 – Draft detailed budget for 2025-26 Corporate Policy and Resources with commentary on significant year on year movements