

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Final 2024/25 Revenue Budget & Medium-Term Financial Strategy (2025/26 to 2028/29)

Meeting/Date: Council – 21 February 2024

Executive Portfolio: Finance & Resources: Councillor B Mickleburgh

Report by: Director of Finance & Corporate Resources (S151)

Ward(s) affected: All

Executive Summary:

The Council is required to consider and approve:

- The 2024/25 Budget and the Medium-Term Financial Strategy (MTFS) for the period 2025/26 to 2028/29.
- The Fees and Charges schedule for 2024/25.
- The Treasury Management Strategy, the Capital Strategy and the Investment Strategy, including the annual prudential indicators, for 2024/25.
- The annual Minimum Revenue Provision (MRP) Statement 2024/25.
- The formal resolution to determine the Council Tax for 2024/25.

Recommendation(s):

The Council is RECOMMENDED to approve

- Overall Budget 2024/25 and MTFS 2025/26 to 2028/29; and **Appendix 1 includes the Revenue Budgets at Section 2; the Capital Programme at Section 3; and the 2024/25 Fees and Charges at Section 7, Annex A.**
- Increase of 3.21% Council Tax for 2024/25 i.e., the Band D charge will increase to £160.86 (£155.86 2023/24); and **Appendix 1, the formal resolution on the Council Tax, Section 6, Item (a) to (e).**
- 2024/25 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy. **Appendix 2.**

1. PURPOSE OF THE REPORT

- 1.1 The purposes of this report are to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the 2024/25 Budget, the Medium-Term Financial Strategy (MTFS), the Treasury Management, Capital and Investment Strategies, MRP Statement and Use of Capital Receipts Strategy and other associated matters and seek Council's formal determination of the Council Tax for 2024/25.

2. BACKGROUND

- 2.1 During January 2024, the Overview and Scrutiny (Performance & Growth) Panel and Cabinet received the final budget proposals that:
- 2.1.1 detailed the savings and growth proposals for 2024/25 and the MTFS (2025/26 to 2028/29);
 - 2.1.2 proposed a Council Tax increase of 3.21% in 2024/25 and £5 annual increase for the duration of the MTFS;
 - 2.1.3 presented the Final Capital Programme 2024/25 to 2028/29; and
 - 2.1.4 presented the 2024/25 Budget and MTFS (2025/26 to 2028/29).

3. ANALYSIS

- 3.1 The detailed 2024/25 Budget & MTFS (2025/26 to 2028/29) is shown in **Appendix 1**. The key elements that members should note are as follows:
- 3.1.1 Paragraph 1.3.1 of Appendix 1 shows:
 - 3.1.1.1 Net expenditure for the Council is £26.004m.
 - 3.1.1.2 The budget requirement for the Council is £27.090m.
 - 3.1.1.3 A budgeted contribution from earmarked reserves of £0.787m.
 - 3.1.1.4 A budgeted contribution to general reserves of £1.872m.
 - 3.1.1.5 Council Tax requirement for the Council is £10.632m.
 - 3.1.1.6 Council Tax base is 66,095.9 (analysed paragraph 6.2)
 - 3.1.1.7 Council Tax per band D property is £160.86.
 - 3.1.1.8 Council Tax increase of 3.21% equating to £5 for 2024/25.
 - 3.1.2 Paragraph 1.4.1 of Appendix 1 shows that the estimated General Fund reserves on 31 March 2025 will be £2.175m.
 - 3.1.3 Paragraph 2.1 shows the overall spend and income by subjective analysis (i.e., employees, buildings etc.) for all Council services; with Paragraph 2.2 showing, for each service, the spend and income by subjective analysis, and Paragraph 2.3 showing, for each Portfolio, the spend and income by subjective analysis.

- 3.1.4 Paragraph 3.1 details the proposed Capital Programme for 2024/25 at £26.073m and the details for the period 2025/26 to 2028/29.
- 3.1.5 Paragraphs 4.0 and 5.0 indicate the main budgetary issues relating to Treasury Management and the Capital Financing Requirement (CFR). The CFR is reducing from an opening balance of £75.653m in 2024/25 to a closing balance of £72.101m in 2028/29 as a result of MRP that is being set aside and takes into account the future financing for the CIS and the Capital Programme.
- 3.1.6 Paragraph 6.1 is the Formal 2024/25 Council Tax Resolution, and Paragraph 6.2 illustrates the Council Tax Base. Paragraphs 6.3 and 6.4 will show the:
 - 3.1.6.1 2024/25 Council Tax by Property Band for each Precepting Authority, and the Billing Authority, and the
 - 3.1.6.2 Total 2024/25 Council Tax by Property Band for each Precepting Authority and the Billing Authority.

The Resolution and accompanying tables assume that the Council will support the proposals in the Budget report for Huntingdonshire District Council's Council Tax for 2024/25.

- 3.1.7 Paragraph 7.0 and Annex A details the Fees and Charges Schedule for 2024/25. Where the Council has discretion to increase fees and charges, and it has been considered appropriate to do so, relevant fees and charges have been increased. Members should note that some fees and charges will be increased during the financial year.
- 3.1.8 Paragraph 8.0 is the statutory Robustness Report required by the Responsible Financial Officer (Section 151 officer). In summary, the budget proposed for 2024/25 should not give Members any significant concerns over the Council's financial position. In respect of the MTFS 2025/26 to 2028/29; there will inevitably be an increased funding risk to the provision of services due to the pressures on central Government resources and other economic influences. However, as the Council continually reviews and manages budgets, it is fair to conclude that the Council is taking proactive action to manage its budgetary position.
- 3.1.9 The Treasury Management, Capital and Investment Strategies, the Annual Minimum Revenue Provision Statement, and the Flexible Use of Capital Receipts Strategy for 2024/25 are summarised and detailed in Appendix 2.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The Panel discussed the Final 2024/25 Budget and Medium-term Financial Strategy (2025/26 to 2028/29) including Capital Programme at its meeting on 31st January 2024.
- 4.2 Following a question from Councillor Gleadow regarding the introduction of the garden waste subscription service, the Panel heard that this was introduced due to jeopardy in future budgets, there was a commitment to progress this service and to delay this would result in a considerable operational deficit alongside costs incurred by the project implementation and refunds to those who had already paid.
- 4.3 Councillor Martin enquired about why there was a 668% increase on last years budget under the Head of Service Strategic Insights and Delivery line, following which the Panel heard that the reasons for this would be sought and brought back to the Panel at a later date. Following the meeting, the Panel were advised that the reasons for the significant increase were;
- All of the funded Biodiversity for All roles (Project Manager/Project Admin/Two Graduate Ecologists) are now filled. These are funded through CPCA.
 - Sports Development was transferred into SID during 2023/24 from One Leisure.
 - Two staff were transferred into SID from Transformation.
- 4.4 In response to a further question from Councillor Martin, the Panel heard that in order to achieve good energy prices over the last couple of years, the Council had joined a framework agreement where energy is purchased in advance, meaning HDC benefitted from lower rates when prices were rising but that our consumption will continue at higher rates initially even though the market price is starting to decrease.. In addition it was noted that the Council's recent decarbonisation works had moved the Councils energy usage from gas to electricity which is a more expensive energy.
- 4.5 Following a question from Councillor Harvey, the Panel heard that the increase in the Finance and Resources figure in Table 21 included the creation of the new reserves going forward as well as other costs such as MRP calculations.
- 4.6 Councillor Pickering enquired why there were lines within the Fees and Charges document which were showing a 0% increase. The Panel heard that some of these were outside of the Council's control as they were statutory fees, that some fees such as One Leisure fees had increased but that all fees had been discussed with relevant portfolio holders and decisions made based on those.

- 4.7 Councillor Jennings highlighted a discrepancy between figures quoted as being in the MTFS for the Garden Waste Subscription Service and figures which had been presented to the Panel last year. The Panel heard that there had been a cost included in the business case relating to possible additional charges from the County Council. There has been no advisement of any additional costs that will be payable, so these figures have not been reflected through the MTFS.
- 4.8 The Panel heard, following a further question from Councillor Jennings on the decrease in the number of Council Tax properties compared to last year's MTFS, that the Council Tax team had undertaken work to ensure a more accurate figure in this year's budget rather than an estimation which had been used in previous years, therefore the team were fully confident on the figures given within the Council Tax base.
- 4.9 Detail was given to the Panel after a question from Councillor Jennings relating to the growth bids in Table 2B. That the growth bids within;
- Corporate Services related to assessments on rents on Commercial investment strategy, improving Civic Suite streaming, facility management remedial works on non compliant fire doors, implementation of workforce Strategy.
 - Finance & Resources related to additional resource to assist with reporting
 - And that detail would be sought and reported back to the Panel for growth bids within Planning and Regeneration & Growth.
- 4.10 Following a question from Councillor Wells relating to the detail in Table 7 surrounding supplies and services, communications and computing, the Panel heard that again the detail would be sought and relayed to the Panel after the meeting. Following the meeting, the Panel were advised that the sizeable decrease between last year's budget and the current year's budget was linked to reclassification of partner spend through the 3C ICT agreement; it was not a reduction in the Council's direct spend.
- 4.11 Councillor Cawley enquired about the growth shown under Leisure, Waste and Street Scene in Table 2, and the Panel were advised that this was due to an anticipated increase in wages in line with the planned national minimum wage increases and increased energy costs following the conversion to electricity from gas. The Panel also heard that the £900,000 in the report relating to the MRF contract was not yet confirmed but this was consistent with the information provided by the County Council to date.
- 4.12 Councillor Gardener advised the Panel that as a County Councillor, he had been advised that the County Council planned to charge the District Council for the anticipated reduction in waste disposal following the implementation of the garden Waste Subscription Service and expressed surprise that this cost had not been accounted for within the budget.

- 4.13 It was observed by Councillor Gardener that tables 14 and 24 did not show any planned training budget for either Leisure & Health or Planning Services whereas other services did show this. The Panel heard that there was a centrally held budget for training but that some services had put specific training costs into their budgets in addition to this.
- 4.14 Councillor Cawley enquired about the £2.5m budgeted for the Workforce Strategy and asked for clarity on what this would cover. The Panel heard that this Strategy was still being developed and therefore the detail was not yet available however this was the amount which had been reserved for the work.
- 4.15 Following the discussion, the Panel were informed that their comments would be added to the Cabinet report in order for an informed decision to be made on the report recommendations.

5. KEY IMPACTS / RISKS

- 5.1 The delivery of the 2024/25 budget will be managed via the Council's budget monitoring processes throughout the year.
- 5.2 Throughout the MTFs 2025/26 to 2028/29 there are a number of key savings initiatives or additional income generation schemes that must be delivered in a timely fashion to secure savings required to ensure that the Council has a balanced budget.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 The 2024/25 Budget forms an integral part of the service planning process for 2024/25. Consequently, actions and timescales required to ensure savings are achieved and service spending is in line with the approved budget will be contained within the final service plans and monitored through normal processes.

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 7.1 The budget is the financial interpretation of the Council's strategic and operational priorities that are included within the Corporate Plan.

8. CONSULTATION

- 8.1 Internal Consultation. All Budget Managers within the Council undertook a review of their service budgets during Autumn 2023. This included a review of staffing, fees and income, costs of delivery and all savings or development proposals. The outcome of this was evaluated by the Senior Leadership Team and Executive Councillors prior to the submission to the Overview & Scrutiny Committee.

9. LEGAL IMPLICATIONS

- 9.1 As per Sections 31A and 42A of the Local Government Finance Act 1992, the Council is required to set a balanced budget. This is achieved for 2024/25 so the setting of the Council Tax at the level mentioned within the report is appropriate.

10. RESOURCE IMPLICATIONS

- 10.1 The Council is required to set a balanced budget for 2024/25 and over the MTFS. Appendix 1 includes a report from the Chief Finance Officer (as the Responsible Financial Officer) confirming that she considers the budget is sufficiently robust and that there are adequate reserves.

11. REASONS FOR THE RECOMMENDED DECISIONS

- 11.1 To enable members of the Council to consider:
- 11.1.1 the 2024/25 Budget and for the Council Tax to be set; and
 - 11.1.2 the implications for the Council in respect of the MTFS for the period 2025/26 to 2028/29.

12. LIST OF APPENDICES INCLUDED

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| Appendix 1 | 2024/25 Budget & Medium-Term Financial Strategy 2025/26 to 2028/29 |
| Appendix 2 | 2024/25 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy |
| Annex A | Fees and Charges |

13. BACKGROUND PAPERS

None

CONTACT OFFICER

Karen Sutton – Director of Finance & Corporate Resources (S151)
karen.sutton@huntingdonshire.gov.uk