

BUDGET FORECAST 2022/23**MOVEMENT IN BUDGET GAP SINCE MTFS APPROVED**

	£'000	£'000
Budget Gap per Medium Term Financial Strategy		435
Increase in tax base		(87)
Surplus from Collection Fund		(109)
Lower Tier Services Grant		(424)
Services Grant		(164)
Additional Investment Income		(250)
Savings Options		(179)
Income Generation Options		(253)
Budget Pressures	1,145	
Budget Pressures - Transfer to Reserves	747	
Budget Pressures - Assumption built into MTFS	<u>(300)</u>	
		1,592
<u>Transfers to / (Draws from) Reserves</u>		
Housing Grant Reserves	(310)	
Local Development Framework - 2022/23 requirement	(363)	
Contribution to LDF reserve to meet future requirement:	200	
Regeneration	(50)	
New Homes Bonus	(24)	
Chantry Centre	48	
Investment Income Equalisation Reserve	100	
Asset Management Reserve	150	
Budget Equalisation Reserve	<u>(250)</u>	
		(499)
Budget Gap - January Cabinet update		62

SUMMARY OF SAVINGS OPTIONS

Service	Function	Savings Option Proposed	2022/23	2023/24	2024/25
			£'000	£'000	£'000
Corporate	Insurance	Reduction in budget requirement for insurance premiums	32	32	32
Finance & Revenues	Internal Audit	Savings as a result on ending shared Internal Audit function. All Internal Audit brought back in-house	19	19	19
Finance & Revenues	Customer Services Unit	Savings as a result of minor restructure concluding with reduction in hours required in the team	10	10	10
Planning and Building	Across Service	Reduction in training, mileage and office consumable costs to reflect current expenditure levels.	17	17	17
Planning and Building	Project Consultancy	Budget reduced due to a reduction in agricultural building applications.	6	6	6
Property & Asset Management	Chantry Centre	Reduction in service charge and direct costs associated with multi-story car park and public conveniences	68	68	68
Property & Asset Management	Car Parking	One vacant CEO post can be deleted	27	27	27
Total Savings Options			179	179	179
Property & Asset Management	Chantry Centre	Transfer to trading account reserve to reflect MSCP service charge savings	(48)	(48)	(48)
			131	131	131

SUMMARY OF INCOME GENERATION PROPOSALS

Service	Function	Savings Option Proposed	2022/23	2023/24	2024/25
			£'000	£'000	£'000
Community & Leisure	Managed Sports Facilities	Increased income from leisure facilities.	36	36	36
Community & Leisure	Cemeteries	Realign net income budgets to be consistent with 21/22 forecast figures.	17	17	17
Environmental Service	Green Waste	Increase budgeted income to reflect current subscription level and tariff increase from 1st April.	50	50	50
Environmental Service	Waste Collection	Increased income from dry mixed recyclables (expected to be a one-year only increase).	44		
Environmental Service	Grounds Maintenance	Additional net income from grounds maintenance contracts.	20	20	20
Environmental Service	Street Cleansing	Align income for shopping trolley returns with actual levels being earned.	10	10	10
Environmental Service	Street Cleansing	Net additional income from dog bins, sale of scrap and external contracts.	7	7	7
Finance & Revenues Service	Local Taxation Services	Realign net income budgets to be consistent with current income levels.	25	25	25
Property & Asset Management	Corporate & Investment Properties	Net additional rental income from the Council's property portfolio.	44	44	44
Total Income Generation Proposals			253	209	209

SUMMARY OF REVENUE PRESSURES

Service	Item	2022/23 £'000	2023/24 £'000	2024/25 £'000
Corporate	To cover expected cost of additional apprentice posts outside of core Establishment.	84		
Environmental Service	Budget for additional post to increase street sweeping provision across the borough.	26	26	26
Environmental Service	Reduction in income from sale of recyclable materials including glass and clothing to reflect current levels being achieved.	15	15	15
Finance & Revenues	Reduction in amount of Housing Benefit overpayment recovery to reflect current levels being achieved.	179	179	179
Housing	Enabling fee income will reduce over the next few years as 'First Homes' impact the units which are eligible for enabling fee.	42	42	42
Housing	Bed & Breakfast. Increase of B&B cost budget and increase of corresponding B&B rebate income budget.	12	12	12
IT	Increase in annual Microsoft annual costs.	40	40	40
IT	Additional Project Consultancy supporting project delivery including 2022/23 Asset Management Plan projects.	55	20	0
IT	Additional budget requirement to support moving to Cloud-based data storage.	10	10	10
Planning & Building	Reduction in Building Control fee income to bring in line with current levels being achieved.	35	35	35

SUMMARY OF REVENUE PRESSURES

Service	Item	2022/23 £'000	2023/24 £'000	2024/25 £'000
Property & Asset Management	Parking income has decreased since Covid, impacted on Parking Charges, Penalty Charge Notices and Season Tickets.	500	500	500
Property & Asset Management	Additional business rates charges on TVBC-owned property.	24	24	24
Property & Asset Management	Professional Fees - increase due to need for valuations for external audit on an annual basis in addition to regular professional fee work.	40	40	40
Property & Asset Management	Increase in utility charges across PAM budgets.	72	72	72
Strategy & Innovation	Continuation of digital engagement tool originally funded by government grant.	11	11	11
Housing & Environmental Health	Staffing and associated costs to be funded from ring-fenced Housing grant reserve	310		
Planning Policy & Economic Development	Local Plan-related project consultancy and staffing costs to be funded from the Local Development Reserve	363		
Planning Policy & Economic Development	Creation of an operating budget for the regeneration projects in Andover town centre and south of Romsey town centre	50	50	50
Planning Policy & Economic Development	Continuation of the Independent Retailer Grant	24		

SUMMARY OF REVENUE PRESSURES

Service	Item	2022/23 £'000	2023/24 £'000	2024/25 £'000
Total Pressures		1,892	1,076	1,056
Draw from reserves to offset pressures:				
Housing & Environmental Health	Draw from Housing Government Grants Reserve	(310)		
Planning Policy & Economic Development	Draw from Local Development Framework Reserve	(363)		
Planning Policy & Economic Development	Draw from Regeneration Reserve	(50)	(50)	(50)
Planning Policy & Economic Development	Draw from New Homes Bonus Reserve	(24)		
		(747)	(50)	(50)
Total Pressures Net of Transfers from Reserves in January Budget Update		1,145	1,026	1,006

MEDIUM TERM FINANCIAL FORECAST

	Original Estimate 2022/23 £'000	Base Changes £'000	Budget Forecast 2023/24 £'000	Base Changes £'000	Budget Forecast 2024/25 £'000
<u>Service Requirements</u>					
Chief Executive's Office	21.8		21.8		21.8
Community & Leisure	2,474.6	36.8	2,511.4	31.7	2,543.1
Environmental Service	5,864.2	306.0	6,170.2		6,170.2
Finance & Revenues	1,607.0		1,607.0		1,607.0
Housing & Environmental Health	3,691.0		3,691.0		3,691.0
I.T.	9.0		9.0		9.0
Legal & Democratic	44.7		44.7		44.7
Planning & Building	2,153.6		2,153.6		2,153.6
Planning Policy & Economic Development	1,324.2		1,324.2		1,324.2
Property & Asset Management	(5,589.4)	6.0	(5,583.4)	49.7	(5,533.7)
Strategy & Innovation	36.9	(7.7)	29.2	(26.6)	2.6
Inflation	400.0	600.0	1,000.0	600.0	1,600.0
	12,037.6	941.1	12,978.7	654.8	13,633.5
<u>Other Requirements</u>					
Net Cost of Benefit Payments	(200.0)		(200.0)		(200.0)
Corporate & Democratic Core	1,978.7	744.6	2,723.3		2,723.3
Net Cost of Services	13,816.3	1,685.7	15,502.0	654.8	16,156.8
<u>Corporate Requirements</u>					
Contingency Provision	281.3		281.3		281.3
Depreciation Reversal & Capital Charges	(5,057.5)		(5,057.5)		(5,057.5)
Investment Income	(492.2)		(492.2)		(492.2)
Borrowing Costs	151.3	(5.4)	145.9	(5.5)	140.4
Minimum Revenue Provision	199.9	4.5	204.4	4.5	208.9
Small Business Rate Relief & other S31 grants	(1,850.0)	1850.0	0.0		0.0
Other Government Grants	(699.7)	588.6	(111.1)		(111.1)
New Homes' Bonus	(2,104.7)	2,104.7	0.0		0.0
Provision for NDR Levy	2,041.0	(2,041.0)	0.0		0.0
100% retention of NDR from Renewable Energy	(414.4)		(414.4)		(414.4)
Net General Fund Expenditure	5,871.3	4,187.1	10,058.4	653.8	10,712.2
Transfer to Earmarked Reserves	1,947.1	(2,094.6)	(147.5)	26.6	(120.9)
Transfer to Asset Management Reserves	1,956.1	(456.0)	1,500.1		1,500.1
Transfer to Capital Reserves	2,116.2		2,116.2		2,116.2
Total General Fund Expenditure	11,890.7	1,636.5	13,527.2	680.4	14,207.6
Revenue Pressures	2,037.0	(816.0)	1,221.0	(20.0)	1,201.0
Savings Options	(179.0)	0.0	(179.0)	0.0	(179.0)
Income Generation Proposals	(253.0)	44.0	(209.0)	0.0	(209.0)
Revised Net Budget	13,495.7	864.5	14,360.2	660.4	15,020.6
FURTHER SAVINGS TO BE IDENTIFIED	(62.2)	(3,315.5)	(3,377.7)	(319.3)	(3,697.0)
General Fund Requirements	13,433.5	(2,451.0)	10,982.5	341.1	11,323.6