

**BUDGET FORECAST 2023/24****MOVEMENT IN BUDGET GAP SINCE MTF5**

	£'000	£'000
<b>Budget Gap per Medium Term Financial Strategy</b>		<b>205</b>
Surplus from Collection Fund / Tax Base calculation		(191)
Reduce inflation forecast		(90)
Additional contingency provision		200
<u>Provisional Local Government Finance Settlement</u>		
Increase in rolled up government grants	(41)	
New Homes Bonus	(1,200)	
Remove Lower Tier Services grant	200	
Services grant	(93)	
Funding Guarantee grant	<u>(1,356)</u>	
		(2,490)
New savings options	(124)	
New income generation proposals	(623)	
New budget pressures	849	
		<u>102</u>
<u>Transfers to / (Draws from) Reserves</u>		
Environment Act	82	
Regeneration	(86)	
Chantry Centre	172	
New Homes Bonus	1,200	
Asset Management Plan	500	
Capital Receipts	<u>500</u>	
		2,368
<b>Budget Gap - January Cabinet update</b>		<b>104</b>

**SUMMARY OF INCOME GENERATION PROPOSALS**

<b>Service</b>	<b>Function</b>	<b>Savings Option Proposed</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Legal & Democratic	Legal	Increased Legal Fee income based on previous year's actuals	8	8	8
Property & Asset Mgmt	Investment Properties	Additional income identified based on rent reviews to date and approved acquisitions of new properties	505	647	647
Property & Asset Mgmt	Public Halls	Increase in Hire of Halls following reduction due to Covid	15	15	15
Environmental Services	Waste Collection	Sale of dry, mixed recycling. This has been volatile but higher in last couple of years. Increased in line with expectations from last year. Short term only as HCC retaining income from 2024	200	200	0
Environmental Services	Green Waste	Garden waste subscriptions income increased to be in line with current income levels	100	100	100
Environmental Services	Waste & Recycling	Sale of glass. Increased in line with expectations from current and prior year. May be short-term with waste reform plans.	36	36	0
Environmental Services	Street Cleaning	Trolley returns income increased to be more in line with current trend and prior year.	20	20	20
Planning and Building	Development Control & Enforcement	Increase in legal fees to reflect higher than expected income this year	10	10	10
Community & Leisure	Managed Sports Facilities	Indexation of management fee income	175	175	175
<b>Total Income Generation Proposals - per Medium Term Strategy</b>			<b>1,069</b>	<b>1,211</b>	<b>975</b>

**SUMMARY OF INCOME GENERATION PROPOSALS**

<b>Service</b>	<b>Function</b>	<b>Savings Option Proposed</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Multi	Chantry Centre	Income arising from bringing in-house management functions associated with managing the Chantry Centre	83	83	83
Community & Leisure	Outdoor Sports Facilities	Increased draw from s106 contributions	48	48	48
Environmental Services	Multi	Increase in income from grounds maintenance contracts; bulky waste; and garden waste	69	69	69
Environmental Services	Recycling	Increase in glass recycling income to reflect current market tonnage prices. Only for two years as not guaranteed in long-term	82	82	
Property & Asset Mgmt	Investment Properties	Further increase in forecast rental income above that reported in the Medium Term Financial Strategy	169	247	247
Property & Asset Mgmt	Chantry Centre	Net income above base case when centre purchased. To be transferred to Chantry Centre reserve	172		
<b>Income generation proposals identified in January budget update</b>			<b>623</b>	<b>529</b>	<b>447</b>
<b>Total income generation proposals 2023/24</b>			<b>1,692</b>	<b>1,740</b>	<b>1,422</b>

**SUMMARY OF SAVINGS PROPOSALS**

<b>Service</b>	<b>Function</b>	<b>Savings Option Proposed</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Environmental Services	Multi	Reduction in budget for red DERV	10	10	10
Corporate & Democratic	Software costs	Reduced budget for software upgrade provision to forecast requirement	18	18	18
Property & Asset Mgmt	Property Management	Reductions in budget deliverable through reduction in estimated utility usage	96	96	96
<b>Total Savings Proposals</b>			<b>124</b>	<b>124</b>	<b>124</b>

**SUMMARY OF REVENUE PRESSURES**

Service / Ref	Service area	Item	2023/24 £'000	2024/25 £'000	2025/26 £'000
PAM	Parking	Increase in car park maintenance requirements, particularly linked to Chantry Centre multi-story car park.	32	32	32
Environmental Services	Vehicle Workshop	Increases in fuel prices	30	20	20
IT	Infrastructure	To cover the cost of new Teams / digital back up solution.	7	7	7
Plan Pol & Econ Dev	Local Development Framework	To fund salary, legal and project costs, beyond amount held in LDF reserve.	63	139	100
<b>Total Pressures - per Medium Term Strategy</b>			<b>132</b>	<b>198</b>	<b>159</b>
Community & Leisure	The Lights	Increased software maintenance fees for e-ticketing system	10	10	10
Community & Leisure	Cemeteries	Costs associated with transfer of St Andrew's church yard, Mottisfont	4	4	4
Community & Leisure	Town Centre Events	Budget to sustain ongoing town centre events programme	32	32	32
Environmental Services	Vehicle Workshop	Increased costs associated with lifting operations and lifting equipment regulations	6	6	6
Finance & Revenues	Finance Service	Increased software maintenance costs	13	13	13
Housing & EH	Housing and homelessness	Increased costs of bed & breakfast payments to reflect current cost to the Council	83	83	83
Housing & EH	Housing and homelessness	Contractual obligation to meet certain costs related to Aster contracts previously not enforced	30	30	30
IT	Corporate Systems	Increase in software costs	32	32	32
Legal & Democratic	Elections	The net cost of holding the 2023 borough election after drawing the full balance of the reserve established for this purpose	158		

**SUMMARY OF REVENUE PRESSURES**

<b>Service / Ref</b>	<b>Service area</b>	<b>Item</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Planning & Building	Ecology	Increased responsibilities due to Environment Act and biodiversity net gain requirements	52	52	52
Planning & Building	Development Control	Anticipated reduction in income levels to planning application and associated fee income, based on current actuals	100	100	100
Plan Policy & Economic Dev't	Climate Change	Establishment of a base budget for scoping / feasibility works	20	20	20
Plan Policy & Economic Dev't	Regeneration	Forecast requirement to be drawn from the Regeneration Reserve for projects and legal costs in the year	86		
Plan Policy & Economic Dev't	Economic Development	Increased costs to run the Junior Graduation programme	8	8	8
Property & Asset Management	Car Parking	Increased costs for repairs and maintenance	21	21	21
Strategy & Innovation	Communications	Increased staffing costs to cover maternity leave during 2023/24	18		
Corporate	Democratic Services	Increased software and hosting costs for Modern.gov	7	7	7
Corporate	External Audit Fees	Increase in audit fees for new 5-year contract following national procurement exercise	41	41	41
Corporate	Housing Benefit	Reduction in the net amount of subsidy / housing benefit overpayments received.	20	20	20
Multi	Multi	Increase in net business rates payable as a result of valuation changes taking effect from 1st April 2023.	108	108	108
<b>Pressures identified in January budget update</b>			<b>849</b>	<b>587</b>	<b>587</b>
<b>Total budget pressures 2023/24</b>			<b>981</b>	<b>785</b>	<b>746</b>

## MEDIUM TERM FINANCIAL PLAN

	Budget Forecast 2023/24 £'000	Base Changes £'000	Budget Forecast 2024/25 £'000	Base Changes £'000	Budget Forecast 2025/26 £'000
<b>Net Cost of Services</b>	<b>12,227.9</b>	<b>1,015.4</b>	<b>13,243.3</b>	<b>1,133.8</b>	<b>14,377.1</b>
<b><u>Corporate Requirements</u></b>					
Contingency Provision	596.9		596.9		596.9
Investment Income	(2,267.2)	200.0	(2,067.2)		(2,067.2)
Borrowing Costs	145.9	(5.5)	140.4	(6.5)	133.9
Small Business Rate Relief & other S31 grants	(2,061.9)	0.0	(2,061.9)	2061.9	0.0
Other Government Grants	(1,600.5)	0.0	(1,600.5)	1448.3	(152.2)
New Homes' Bonus	(1,199.8)		(1,199.8)	1,199.8	0.0
Provision for NDR Levy	2,080.0	0.0	2,080.0	(2,080.0)	0.0
100% retention of NDR from Renewable Energy	(398.6)		(398.6)		(398.6)
<b>Net General Fund Expenditure</b>	<b>7,522.7</b>	<b>1,209.9</b>	<b>8,732.6</b>	<b>3,757.3</b>	<b>12,489.9</b>
Transfer to Earmarked Reserves	1,845.9	396.3	2,242.2	(2,864.1)	(621.9)
Transfer to Asset Management Reserves	2,000.0		2,000.0	(500.0)	1,500.0
Transfer to Capital Reserves	2,990.3		2,990.3	(500.0)	2,490.3
<b>Total General Fund Expenditure</b>	<b>14,358.9</b>	<b>1,606.2</b>	<b>15,965.1</b>	<b>(106.8)</b>	<b>15,858.3</b>
Revenue Pressures	1,753.2	(703.6)	1,049.6	(39.0)	1,010.6
Savings Options	(423.6)	0.0	(423.6)	0.0	(423.6)
Income Generation Proposals	(1,692.4)	(47.5)	(1,739.9)	318.0	(1,421.9)
<b>Revised Net Budget</b>	<b>13,996.1</b>	<b>855.1</b>	<b>14,851.2</b>	<b>172.2</b>	<b>15,023.4</b>
<b>FURTHER SAVINGS TO BE IDENTIFIED</b>	<b>(104.2)</b>	<b>(680.3)</b>	<b>(784.5)</b>	<b>(1,543.4)</b>	<b>(2,327.9)</b>
<b>General Fund Requirements</b>	<b>13,891.9</b>	<b>174.8</b>	<b>14,066.7</b>	<b>(1,371.2)</b>	<b>12,695.5</b>