

REVENUE BUDGET AND COUNCIL TAX 2024/25

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Portfolio Holder:	Finance
Ward(s) Affected:	All wards
Purpose of the Report:	This report provides information affecting the Council's revenue budget for 2024/25 in order for the Cabinet to make recommendations to Council on 22 nd February regarding the Council's budget and council tax for 2024/25.

Recommendations:

- 1 That Cabinet recommends to Council:
 - 1.1 The approval of the 2024/25 base budget; subject to confirmation of the finalised Local Government Finance Settlement figures which may necessitate an adjustment through the General Revenue Reserve to maintain a balanced budget. Authority to make any such change to be delegated to the Assistant Director of Finance.
 - 1.2 That the Council's demand on the Collection Fund for 2024/25 for General Expenditure shall be £6,610,050, and for Special Expenditure shall be £98,931.
 - 1.3 That the Band D level of Council Tax be increased by £5 to £134.91 for General Expenditure.
 - 1.4 That the Band D level of Council Tax be £2.02 for Special Expenditure.
 - 1.5 Changes to the proposed fees and charges as set out in section 6.
- 2 That Cabinet notes:
 - 2.1 The advice of the Section 151 Officer with regard to section 25 of the Local Government Act 2003, contained in section 12 of this report.
 - 2.2 The Medium-Term Financial Strategy projections.

1 SUMMARY

- 1.1 It is the responsibility of the Cabinet to prepare a revenue budget for approval by Council. Based on consideration of the information in this report, Cabinet needs to make recommendations to the Council meeting in February where the council tax, including the element relating to preceptors, will be decided.
- 1.2 This report presents a summary of the Council's draft 2024/25 Revenue Budget and contains details of the proposed fees and charges for 2024/25.
- 1.3 This report is divided into a number of sections that as a whole cover the various elements that need to be considered when setting the Council's budget for the coming year and the council tax for the District.

Section 2	Revenue Budget Requirement 2024/25
Section 3	Government Grants (Local Government Finance Settlement)
Section 4	Business Rates Income
Section 5	Budget Consultation
Section 6	Fees & Charges
Section 7	Medium Term Financial Strategy
Section 8	Reserves
Section 9	Council Tax – Broadland District Council (BDC)
Section 10	Council Tax – Other Preceptors
Section 11	Special Expenses
Section 12	Advice of Chief Finance Officer / Section 151 Officer.

2 REVENUE BUDGET REQUIREMENT 2024/25

- 2.1 The proposed revenue budgets and associated Delivery Plan seek to advance the Council's priority areas.
- 2.2 The Council's Revenue Budgets are structured as follows:

Part A: Cost of Services
Part B: Other Income and Expenditure
Total of A+B = The 'Revenue Budget Requirement'.

Part A: Cost of Services

2.3 The following table sets out the estimated cost of providing our services in 24/25.

	Pay £'000	Non Pay £'000	Income £'000	Net £'000
Chief of Staff	2,239	1,188	-507	2,920
Finance	1,669	773	-243	2,199
Transformation and ICT / Digital	1,240	1,485	-59	2,666
Economic Growth	854	1,558	-1,377	1,035
Regulatory	684	133	-288	529
Planning and Business Support	1,704	372	-1,975	101
Individuals & Families	2,766	1,435	-2,490	1,711
Housing Benefit Payments	0	14,322	-14,382	-60
Community Services	416	7,122	-4,691	2,847
Leisure	0	11	0	11
Cost of Services	11,572	28,399	-26,012	13,959

2.4 A more detailed breakdown is shown in **Appendix A**, and the main changes to the cost of services are as shown in **Appendix B**.
All spending areas have been reviewed to ensure that there are appropriate budgets for service areas, and these accord with the Delivery Plan.

Staffing Costs

- 2.5 The proposed budget includes provision for a reasonable cost of living rise in 2024/25, with everyone assumed to earn at least the new Real living Wage of £12 an hour.
- 2.6 As it has been agreed to adopt the national local authority cost of living increase for 2024/25 onwards, we cannot locally affect what that actual increase will be. Furthermore, it is likely that we will not know the result of the national pay bargaining until spring 2024 (i.e. after the 2024/25 budget has been set).
- 2.7 The proposed budget also includes provision for adoption of the new salary scale point system to replace Performance Related Pay.

Community Infrastructure Levy (CIL)

- 2.8 CIL is not included within the Council's revenue budget as it relates to funding for infrastructure and is accounted for separately to the Council's revenue budget, with the exception of the agreed 5% proportion for administration of the scheme by the Council, which is estimated to be £91,000 in 2024/25 (£425,000 in 2023/24).
However, it is difficult to predict with certainty the level of income from CIL as it depends upon the commencement of the Development.

Joint Working

- 2.9 As a result of the joint working with South Norfolk Council (SNC), the workforce operates as 'one team' supporting two councils. Some staff are still fully charged to one authority (for instance all leisure staff are charged to SNC as only SNC operate leisure centres). However, all joint costs have been split SNC 55% / BDC 45% since 1 January 2020. This cost split has been reviewed and agreed by our external auditors.

Food Waste Costs

- 2.10 BDC has rolled out food waste costs to all properties, and thus the cost of this is built into the budgets.
- 2.11 Regarding funding for this DEFRA has stated:
- Capital transitional costs will be funded in the 2023/24 financial year. This funding will be provided to waste collection authorities that need to implement or extend a weekly food waste collection service, either partially or fully.
 - Resource transitional funding will be provided from the 2024/25 financial year. This money will be provided to waste collection authorities that either need to implement a weekly food waste collection service partially or fully.
 - Ongoing resource/revenue costs will be provided from 1 April 2026 and will be provided to all waste collection authorities, including those that have already fully implemented a food waste collection service.
 - We are currently calculating transitional and ongoing resource costs and will be writing to you on these in due course.

Other Key Assumptions

- 2.12 Within the 2024/25 Budget there are a number of key assumptions as follows:
- The ongoing costs of retaining Thorpe Lodge are estimated to be in the region of £70,000 and would be funded from reserves. Officers have explored several different options for disposal of the site and are currently seeking pre-planning advice to assist in marketing the site, together with applying for brownfield funding.
 - Contract licence costs (e.g. software licences) rise by CPI.
 - Legal fees rise by 16.5%, in line with the notified day rate increase.
 - The cost of temporary accommodation is able to be constrained by the purchase of council owned accommodation.
 - An allowance for MRF processing costs of £900,000 (£975,000 in 2023/24). This is based on 12,000 tonnes at £75. However, given that the agreement is for a variable gate fee the actual costs will vary from this figure. The actual gate fee has fluctuated significantly in recent years, and thus there could be a material difference in MRF processing costs.

Part 2: Other Income and Expenditure

- 2.13 In addition to the cost of providing services, the Council also has other items of income and expenditure that need to be budgeted for. These include:
- The amount of money we have to pay to the Internal Drainage Boards.
 - Any interest we have to pay, and a provision to repay any borrowing.
 - Any interest we earn on our investments.
 - Any money we wish to set aside into our reserves, or withdraw from our reserves.
- 2.14 A breakdown of these other items of income and expenditure are shown in Appendix A.

- 2.15 Members attention is specifically drawn to the £250,000 that is proposed to be transferred to a reserve to fund the Capital Programme. As the Council has a significant Capital Programme and only limited capital resources, it is necessary to set aside funds each year (if affordable) to help fund the Capital Programme. This is the first year that funds have been set aside for this purpose and the amount set aside in future years will need to be reviewed in order to ensure the Capital Programme continues to be affordable in the medium term. The Cabinet as set out in the October 23 Medium-Term Financial Position and Reserves Update report will continue to review the existing Capital Programme.

A+B: Revenue Budget Requirement

- 2.16 The following table then shows how the Total Revenue Budget Requirement is made up of the Cost of Services, plus the other income and expenditure.

	£'000
Cost of Services	13,959
Other Income and Expenditure	-183
Revenue Budget Requirement	13,776

- 2.17 We then need to consider how to fund the Revenue Budget Requirement from:
- Government Grants Section 3
 - Business Rate income Section 4
 - Council Tax income Section 9

3 GOVERNMENT GRANTS (LOCAL GOVERNMENT FINANCE SETTLEMENT)

- 3.1 Government Grants are provided to local authorities to help fund services. These can either be General Grants (to be used for any purpose) or Service Specific Grants (to fund specific services). The value of these grants is announced each year primarily in the Local Government Finance settlement.
- 3.2 The Provisional Local Government Finance settlement for 2024/25 was announced on 18th December 2023. The headline message was that all councils were guaranteed at least a 3% increase in their Core Spending Power (CSP), before taking into account any decisions to increase council tax.
- 3.3 DLUHC on 24 January 2024 then announced that the guaranteed increase in Core Spending Power was to be increased from 3% to 4%. This provides BDC with an extra £116,568 in grant.
- 3.4 The Final Local Government Financial settlement will be announced in the coming weeks and officers will provide a verbal update to the Cabinet meeting if information is available at that time. It is proposed that any changes from the provisional settlement (as amended) are managed through reserves, so as not to impact on Council Tax setting and that this is delegated to the s151 Officer.

General Grant Figures

3.5 The following table shows the key grant figures.

	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000 Provisional
Business Rates Baseline	12,411	11,872	11,872	11,872	12,801	13,003
Business Rate Tariff	-9,552	-8,996	-8,996	-8,996	-9,818	-10,056
Business Rate Grant					508	769
Baseline Need	2,859	2,876	2,876	2,876	3,491	3,716
New Homes Bonus	2,174	2,318	1,625	1,333	707	1,230
Services Grant				198	116	18
Funding Guarantee Grant					792	409
Funding Guarantee Grant – Jan 24						117
Lower Tier Services Grant			366	129		
Revenue Support Grant		30	31	32	177	189
Total	5,033	5,224	4,898	4,568	5,283	5,679

Business Rates Baseline Need

3.6 The Business Rates Baseline Need is the predicted / reference level of Business Rates that the authority is expected to retain.

New Homes Bonus

3.7 The provisional allocation for 2024/25 is £1,229,611, of which £111,160 relates to the Affordable Homes Premium (397 x £350 x 80%). The New Homes Bonus Grant for 2023/24 was £706,502.

3.8 A small proportion of the New Homes Bonus is passed over to the Broads Authority for new homes built within its area, reflecting their role as the planning authority.

3.9 The Government is still considering reforming New Homes Bonus in the future.

Funding Guarantee Grant

3.10 The Funding Guarantee Grant ensures that all councils have an increase of 4 per cent in Core Spending Power before any changes in council tax levels are taken into account.

Service Specific Grants (Included in the income lines for the specific services)

3.11 The Council continues to receive Housing Benefit Administration Grant for the administration of Housing Benefit. However, this is reducing over time as the benefit moves over to Universal Credit.

3.12 The Council will receive £309,774 in Homeless Prevention Grant in 2024/25 (£305,662 in 2023/24).

4 BUSINESS RATES INCOME

- 4.1 BDC collects over £28m in business rates income. However, it does not get to keep all this. There is a complex smoothing mechanism of top up and tariffs, and additional grants which share out business rates income across local authorities.
- 4.2 For BDC the Baseline level of Business rates it keeps is £3,716,000.

Business Rates Growth

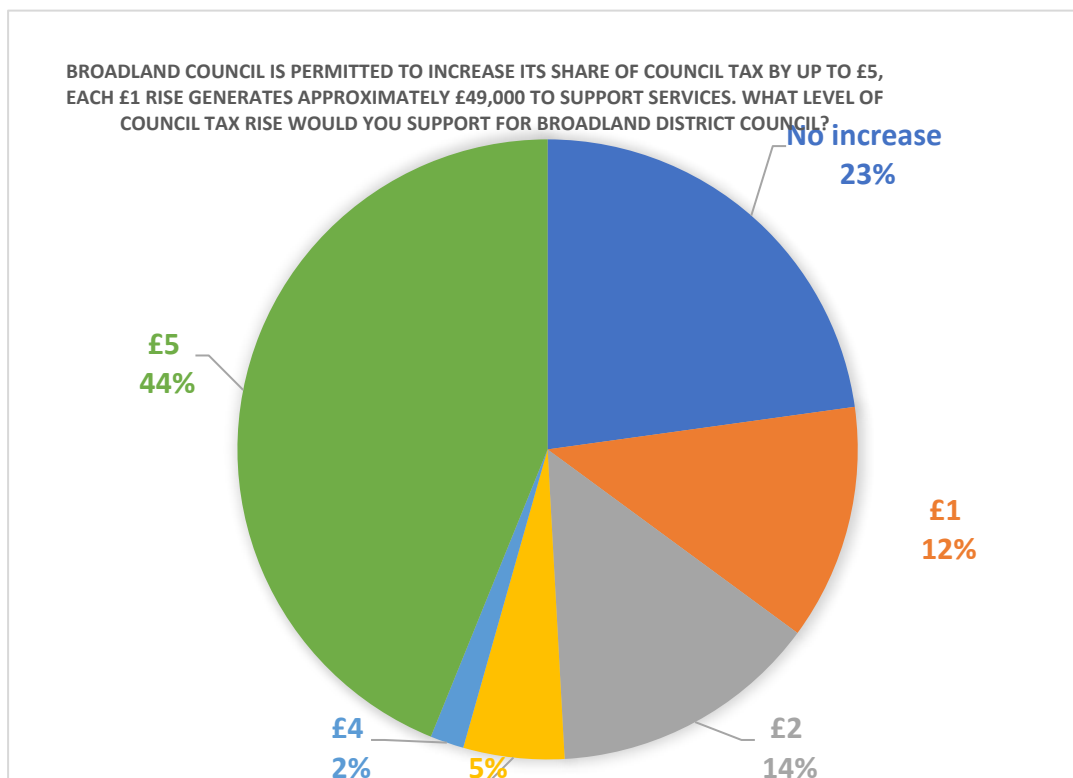
- 4.3 BDC is then allowed to keep a proportion of any Business Rates growth over and above the baseline level.
This year we have budgeted to receive £888,000 from growth.

Business Rates Pooling

- 4.4 BDC can also retain further sums by entering into a pooling mechanism.
- 4.5 The Norfolk local authorities participated in a business rates retention pool in previous years. Any additional retained growth from pooling was allocated to a Norfolk wide 'Joint Investment Fund' which was used to fund projects across Norfolk.
- 4.6 In 2021/22, due to the risk of a significant drop in Business Rate income due to Covid, no retention pool was formed.
- 4.7 In 2022/23 a business rates retention pool was again formed. However rather than all gains being allocated to a Norfolk wide 'Joint Investment Fund' any gains are shared between the authorities.
- 4.8 The Norfolk business rates pool continued in 2023/24 and will continue for 2024/25, on the same basis as 2022/23. This year we have budgeted to receive £500,000 from pooling.

5 BUDGET CONSULTATION

- 5.1 Prior to setting the budget, local authorities are required to consult on the budget.
- 5.2 The Council therefore undertook a budget consultation via its citizens panel and via its website between 21 December 2023 and 17 January 2024.
- 5.3 The consultation received 58 responses, and therefore may not be representative of the population.
- 5.4 The key messages from this year's budget consultation exercise are:
- There was 73% support to target resources primarily on those most in need.
 - There was 71% support for investing in initiatives such as Broadland Growth.
 - There was 77% support for targeting resources to encourage business growth.
 - There was 72% support for charging service uses for discretionary services, as opposed to charging general taxpayers.
- 5.5 Regarding increasing council tax there was a range of responses as follows:



6 FEES AND CHARGES

- 6.1 Rather than the cost of services falling solely on Council Taxpayers, the council charges service users for certain services. The income generated from this is taken account of within the Cost of Services.
- 6.2 The Constitution Part 3 17.1 (26) reserves the power to set discretionary fees and charges to Full Council, and in recent years it has been the policy to increase fees and charges in line with inflation.
- 6.3 This year it is proposed to increase discretionary fees and charges in line with inflation, based on the September 23 RPI figure of 8.9%.

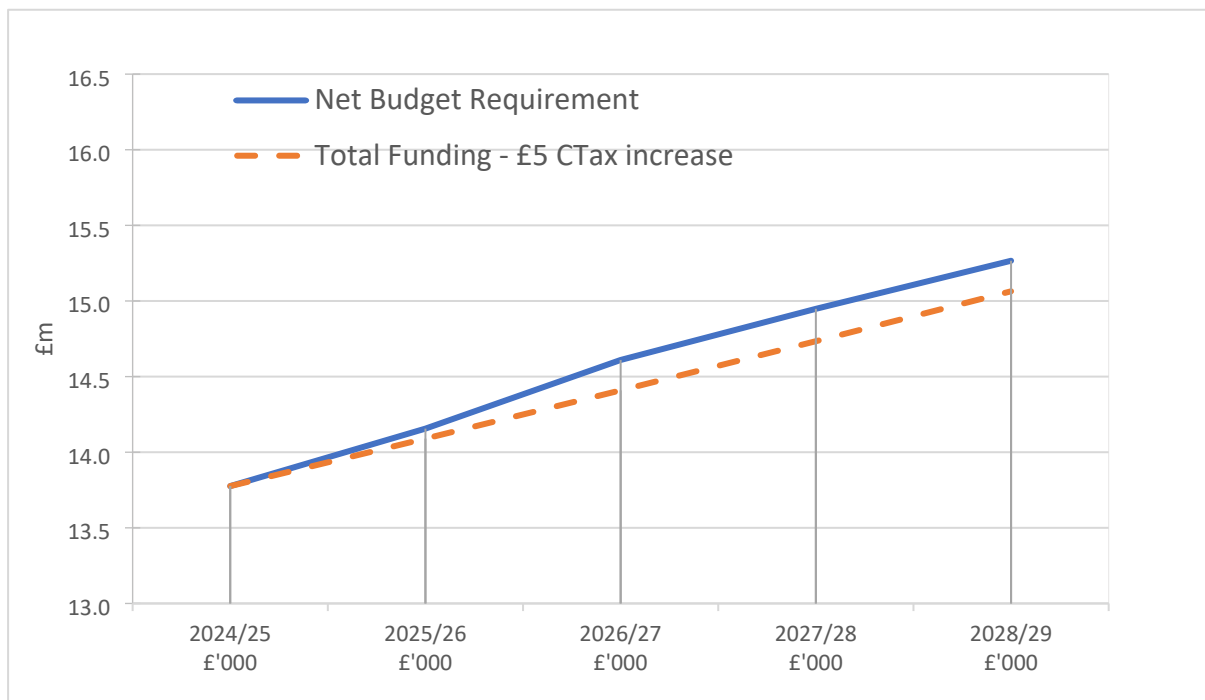
Garden Waste Brown Bin

- 6.4 The proposed Garden Waste Brown bin charges are as follows:

	23/24 Charge	24/25 Proposed Charge	Comment
Direct Debit customers	£57.45	£62.00	7.92% increase
Non-Direct Debit Customer	£65.30	£67.00	To bring in standard £5 admin fee
Re-joining Fee	£22.00	£22.00	No change

7 MEDIUM TERM FINANCIAL STRATEGY

- 7.1 It is good practice for organisations to financially plan over a number of years.
- 7.2 The following graph shows the Council's current projected Net Budget Requirement compared to the predicted Total Funding over the next few years. This now shows a funding gap of c£200k; down from the £1m reported in the Medium-Term Financial Position report considered by Cabinet in October 23.



- 7.3 **Appendix C** provides the Medium-Term Financial Plan (MTFP) figures supporting this graph.

- 7.4 This shows a funding gap developing over the next few years as Government funding is unlikely to keep pace with expenditure pressures. Action will therefore need to be taken over the coming years to find further savings or additional income to reduce the future funding gaps.
- 7.5 Future year funding figures are also uncertain due to:
- the Government's ongoing funding review, and
 - potential changes to the Business rates retention scheme.
- However as yet we do not know what impact these will have on the Council's finances.
- 7.6 Government has also now mandated food waste collections from 1st April 2026 for all authorities, and has indicated that the cost of this service (which is c£0.8m) will be covered by new funding. BDC already provides this service, however we still expect that BDC will be entitled to the associated funding. As we do not yet know the quantum of potential income this has therefore not been built into the MTFP projections.
- 7.7 Given the uncertain future funding landscape it is useful to consider a few realistic scenarios to illustrate the risks we face, and to help stress test the MTFP.

	£'000
Scenarios that could increase the funding gap	
Pay rise is 1% more than estimated	100
Expenditure pressures are 2% higher than estimated	282
10 extra families in B&B temporary accommodation	145
Investment income 25% lower (i.e. base rate fall from 5.25% to 4%)	280
10% cut in Government grants	185
Full reset of Business Rates retention scheme	1,388
Scenarios that could reduce the funding gap	
Extra transformation savings delivered	225
MRF processing costs 20% cheaper (i.e. £60 rather than £75 a tonne)	180

8 RESERVES

General Revenue Reserve

- 8.1 The impact of the proposed budgets on the General Revenue Reserve is shown in the table below:

	To fund revenue gap £'000	To fund capital programme £'000	Estimated Balance at end of year £'000
Balance as at 1 April 2023			5,571
2023/24 (Based on Q3 monitoring)	0	-1,022	4,549
2024/25	0	-1,251	3,298

23/24 Q3 monitoring is current showing a small potential surplus for the year.

- 8.2 The projected General Fund Balance remains above the recommended minimum level of £1.4m (10% of Net Cost of Services). However, there is a need to address the funding gap over the medium term.

9 COUNCIL TAX - BDC

- 9.1 The final part in the budget jigsaw is Council Tax income. Council tax income needs to bridge the gap between our total Revenue Budget Requirement, and the amount we get from Government Grant and Business Rates Payers. I.e.

	£'000
Revenue Budget Requirement	13,776
Less Baseline Business Rates Income / General Grants	-5,679
Less Business Rates Growth / Pooling Benefit	-1,388
Amount we collect for Special Expenses	-99
Amount we need to collect from Council taxpayers	6,610

- 9.2 The amount we can collect in council tax is determined by 2 factors.
- The amount of properties we collect tax from (the Taxbase)
 - And the amount we charge each property (the Charge).
- I.e. Total Council Tax Income = Taxbase x Charge.

Taxbase

- 9.3 The tax base for 2024/25 is 48,996 Band D equivalent households. The projected tax base has increased by 1.8% compared to the tax base in 2023/24. This is due to housing growth in the district.

Council Tax Referendum limit

- 9.4 As a shire district council authority, the Council is allowed to raise its Band D Council Tax by the greater of £5 or 3% without breaching the Council Tax Referendum limit.
- 9.5 Under the Localism Act, local communities have the power to decide if a Council Tax rise is excessive. Any district council that wishes to increase its Council Tax beyond the prescribed limit is required to hold a referendum to seek the approval of the electorate. The process of holding a referendum would have implications on cash flows and investment interest, as well as costing in excess of £150,000.

BDC Council Tax

- 9.6 It is proposed that Broadland Council increases its Council Tax for a Band D property by £5 to £134.91 for 2024/25. This will result in £6,610,050 being collectable. (i.e. Taxbase (48,996) x £134.91)
- 9.7 The actual value of the increase varies by band as follows:

Band	Proportion of band D Charge	Increase
A	6 / 9	£3.33
B	7 / 9	£3.89
C	8 / 9	£4.44
D	9 / 9	£5.00
E	11 / 9	£6.11
F	13 / 9	£7.22
G	15 / 9	£8.33
H	18 / 9	£10.00

10 COUNCIL TAX – OTHER PRECEPTORS

- 10.1 Norfolk County Council, the Police and Crime Panel, and Town and Parish Councils (collectively known as preceptors) also set their own Council Tax charges which we then collect on their behalf.
- 10.2 The charges they set are entirely a matter for them, and Broadland Council has no influence over the level of these. However, for completeness we set out below the information we know about these at present.

Norfolk County Council (NCC)

- 10.3 The NCC 2024/25 Revenue Budget report has been published by NCC. [Document.ashx \(cmis.uk.com\)](#)
The report proposes a 4.99% council tax increase (including 2% for the Adult Social Care precept). NCC Cabinet are meeting on 29th January to make recommendations to 20th February NCC Full Council where the final decision will be made.

Police and Crime Panel

- 10.4 The Police and Crime Panel have the option of increasing their Council Tax by £13. The actual figure is not yet known.

Parishes

- 10.5 At the time of writing, parish precepts for 2024/25 were still being set. A full list of precepts will accompany the Council Tax report to Full Council.
- 10.6 For 2024/25, the Government has again decided not to apply any thresholds for Council Tax increases set by Parish and Town Councils, which if exceeded would trigger a referendum.
- 10.7 Officers will use the final information provided by the preceptors in producing the Council Tax resolution for the Full Council meeting on 22nd February.

11 SPECIAL EXPENSES

- 11.1 Where a Parish/Town Council requires this Council to run specific services, then the cost is recouped through the special expense's mechanism. For BDC this only relates to street lighting in Great Witchingham and Hellesdon.
- 11.2 Following a review of the special expenses budgets, it is proposed to reduce the special expense Band D charge by £6 compared to 23/24.
- 11.3 The Band D charges being proposed are as follows:

	23/24 Band D C Tax	24/25 Band D C Tax
Great Witchingham	£20.97	£14.97
Hellesdon	£30.24	£24.24

12 ADVICE OF THE SECTION 151 OFFICER

- 12.1 The Local Government Act 2003 places two specific requirements on an authority's Section 151 (s151) Officer in determining the Council's budget and Council Tax. Under section 25, the s151 Officer must advise firstly on the robustness of the estimates included in the budget, and secondly on the adequacy of the financial reserves.
- 12.2 **Appendix D** contains the full advice of the s151 officer on these matters.
- 12.3 In summary the advice is:
- Overall, in my opinion the budget has been based on a reasonable set of assumptions with due regard to the risks and is therefore robust.
 - Assuming Cabinet and Council agree the revenue budget as set out in this report, then in my opinion the level of reserves is adequate for known and potential risks at this time.

Section 114

- 12.4 The Section 151 Officer is also required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure.
- 12.5 Section 114 notices are rare, and the advice of the Section 151 Officer is that the possibility of such a notice being required at Broadland Council is very remote at the present time.

13 OTHER OPTIONS

- 13.1 Cabinet can propose an alternative revenue budget, capital programme and Council Tax to Council, subject to the advice of the s151 Officer on the prudence and robustness of the budgets.

14 ISSUES AND RISKS

- 14.1 **Resource Implications** – These budget proposals set out the resource plans for the Council during 2024/25. A reduction to the net budget would impact negatively on the ability to deliver the delivery plan.
- 14.2 There are always a number of unknown variables at the time of setting the budget. Where this is the case, officers have made prudent estimates based on the most up to date information available.
- 14.3 **Legal Implications** – The Council has a legal duty to set a balanced budget.
- 14.4 **Equality Implications** – The budget contains reductions in spending without impacting on the level of service that our residents presently receive – for instance as a result of the joint working with South Norfolk Council. There are also increases in fees and charges, with discounts available for some services to residents on low incomes. Officers believe that this budget presents no significant negative impact on those who share protected characteristics as defined in the Equality Act 2010.

14.5 **Environmental Impact** - The budget will allow the Council to deliver its statutory duties in respect of the environment.

14.6 **Crime and Disorder** - The budget will allow the Council to deliver its statutory duties in respect of the community safety.

15 CONCLUSION

15.1 The proposed 2024/25 revenue budget is balanced and has no call on general revenue reserves, subject to the final Government Finance Settlement figures not changing substantially from the provisional figures.

15.2 It is proposed that Broadland Council increases its Council Tax for a Band D property by £5 to £134.91 for 2024/25.

15.3 Discretionary fees and charges have been increased for service areas and commercial activities.

15.4 Over the next few years, the Council needs to find further savings or additional income primarily because the level of Government funding is expected to not keep pace with inflation.

15.5 There is increased financial risk while future changes to the funding formula and business rates are still under discussion.

16 RECOMMENDATIONS

1 That Cabinet recommends to Council:

1.1 The approval of the 2024/25 base budget; subject to confirmation of the finalised Local Government Finance Settlement figures which may necessitate an adjustment through the General Revenue Reserve to maintain a balanced budget. Authority to make any such change to be delegated to the Assistant Director of Finance.

1.2 That the Council's demand on the Collection Fund for 2024/25 for General Expenditure shall be £6,610,050, and for Special Expenditure shall be £98,931.

1.3 That the Band D level of Council Tax be increased by £5 to £134.91 for General Expenditure.

1.4 That the Band D level of Council Tax be £2.02 for Special Expenditure.

1.5 Changes to the proposed fees and charges as set out in section 6.

2 That Cabinet notes:

2.1 The advice of the Section 151 Officer with regard to section 25 of the Local Government Act 2003, contained in section 12 of this report.

2.2 The Medium-Term Financial Strategy projections.

Background Papers

Broadland Council Plan and Delivery Plan

APPENDIX A: BDC REVENUE BUDGET REQUIREMENT 2024/25

	FTE Core	FTE Externally Funded	Pay £'000	Non Pay £'000	Income £'000	24/25 Budget £'000	Prior Yr FTE	FTE Externally Funded	Pay £'000	Non Pay £'000	Income £'000	23/24 Budget £'000
Chief of Staff												
Executive Team	4.05		410	23	0	433	3.60		376	20	0	396
Chief of Staff, Comms & Internal Audit	5.81		327	190	-18	499	5.72		305	193	-18	480
Governance	7.35		379	662	-43	998	7.27		345	592	-43	894
Elections & Electoral Registration			210	296	-446	60			102	178	-226	54
Human Resources	5.69		519	95	0	614	5.21		459	44	0	503
Apprentices	10.80		316	0	0	316	9.90		245	0	0	245
Apprentices (Opportunity Funded)	2.70		78	-78	0	0	3.15		80	-80	0	0
Finance												
Corporate Costs (inc pension costs)			734	604	-1	1,337			749	592	-1	1,340
Finance & Procurement	8.88		407	92	0	499	8.75		369	76	0	445
Council Tax & NNDR	15.07		528	77	-242	363	15.38	0.72	528	71	-250	349
Transformation and ICT / Digital												
ICT & Digital	10.76		617	932	0	1,549	10.76		586	761	0	1,347
Strategy & Transformation	6.00		375	7	0	382	7.45		395	3	0	398
Customer Services	4.31		137	181	0	318	5.36		170	119	0	289
Horizon Centre / Facilities	2.40		111	365	-59	417	2.85		116	381	-43	454
Economic Growth												
Economic Growth	9.11		550	574	-555	569	9.93		541	721	-608	654
Shared Prosperity Fund		2.07	126	535	-660	1		0.45	32	0	-32	0
Growth Posts (Opportunity Funded)	0.45		30	-30	0	0	0.90		47	-47	0	0
Car Parks & Public Conveniences			0	149	-1	148			0	130	-1	129
Community Assets	1.80	1.60	148	330	-161	317	3.40		147	321	-146	322
Regulatory												
Community & Environmental Protection	7.40		399	91	-44	446	7.56		363	91	-44	410
Food Safety	3.29		156	9	-1	164	3.16		164	9	-1	172
Licensing	3.03		129	33	-243	-81	2.30		93	26	-186	-67
Planning and Business Support												
Planning	27.45		1,394	282	-1,675	1	27.61		1,318	346	-1,569	95
Building Control			0	38	0	38			0	38	0	38
Business Support	10.16		310	52	-300	62	12.07		326	52	-300	78
Individuals & Families												
Communities and Early Help	12.62	7.07	607	393	-323	677	14.49	1.16	592	195	-256	531
Housing Standards & Indep. Living	9.30		379	23	-115	287	8.67		375	33	-120	288

	FTE Core	FTE Externally Funded	Pay £'000	Non Pay £'000	Income £'000	24/25 Budget £'000	Prior Yr FTE	FTE Externally Funded	Pay £'000	Non Pay £'000	Income £'000	23/24 Budget £'000
Housing and Benefits	28.57	1.56	1,119	853	-1,291	681	27.04	0.63	986	769	-815	940
District Direct			0	0	0	0			0	0	0	0
Social Prescribing (Com Connectors)		7.70	309	12	-321	0		6.80	278	-9	-269	0
Next Steps		1.50	48	1	-49	0		2.00	59	0	-59	0
Hardship Support (Opp Funded)	1.67		59	0	-59	0	0.72		35	0	-35	0
Rapid Rehousing			0	0	0	0			0	0	0	0
Warm Homes Fund			0	0	0	0			0	0	0	0
Homes for Ukraine		8.96	245	87	-332	0		2.29	114	0	-114	0
Property Management			0	66	0	66			0	0	0	0
Housing Benefit Payments			0	14,322	-14,382	-60			0	14,322	-14,413	-91
Community Services												
Waste Services	10.28		416	7,122	-4,691	2,847	9.83		376	6,520	-4,165	2,731
Leisure												
Leisure			0	11	0	11						
Net Cost of Services	208.95	30.46	11,572	28,399	-26,012	13,959	213.08	14.05	10,671	26,467	-23,714	13,424
Precept - Internal Drainage Board						323						288
Interest Payable						50						1
Investment Income - Treasury Mgt						-1,120						-1,108
Investment Income - Broadland Growth						-200						0
Investment Income - Broadland Living						-68						0
Council Tax Deficit / (Surplus)						-56						-51
Transfer to Waste Reserve						500						275
Transfer to Fund Capital Programme						250						0
Transfer to Elections Reserve						40						0
Transfer (from) Waste Reserve						0						-145
Transfer to / (from) Street Lighting R&R						78						96
Transfer to / (from) Bure Valley Railway						20						20
Transfer to / (from) General Reserve						0						0
						<u>13,776</u>						<u>12,800</u>

	FTE Core	FTE Externally Funded	Pay £'000	Non Pay £'000	Income £'000	24/25 Budget £'000	Prior Yr FTE	FTE Externally Funded	Pay £'000	Non Pay £'000	Income £'000	23/24 Budget £'000
Funded by												
Council Tax - District Element (£5 rise)						6,610						6,252
Council Tax - Special Expenses						99						122
NDR (Business Rates) - Baseline						2,947						2,983
NDR (Business Rates) - Grant						769						508
NDR (Business Rates) - Growth						888						893
NDR (Business Rates) - Pooling Benefit						500						250
Revenue Support Grant						189						177
New Homes Bonus						1,230						707
Services Grant						18						116
Funding Guarantee Grant Allocation						526						792
Other Government Grants						0						0
						<u>13,776</u>						<u>12,800</u>

APPENDIX B: BDC BUDGET MOVEMENTS

The main changes to the base budget are as shown in the table below.

	£'000	£'000
Cost of Services 2023/24		13,424
Salary Related Changes		
Pay inflation (plus rise in living wage)	382	
Other changes in salary costs	56	438
Inflationary Cost Pressures		712
Inflationary Increases in Fees & Charges		
Planning Pre-App Charges	-1	
Waste	-181	-182
Growth		
Customer Experience Programme (Cabinet Nov 23)	19	
Increase to member grants and establishment of community grant fund	74	
Broadland Availability Fund	100	193
Cost Pressures		
Increase in budgeted number of internal audit days	5	
Increased cost of new HR system	25	
Other HR costs	35	
Increase in external audit fee (part of national fee framework)	80	
Increase in council tax printing, subscriptions and other minor costs	9	
Mobile phone costs	20	
IT data infrastructure costs	39	
Software licences	48	
Horizon centre costs – overtime for extra evening meetings	4	
Cost share relating to Cobb Lodge electricity and insurance	27	
Carrowbreck costs	12	
Increase contribution to Norfolk Parking Partnership	5	
Public conveniences building maintenance	7	
Open spaces	3	
Local plan reserve runs out	15	
Street naming and numbering - increase in costs and number of repairs	10	
Homelessness resettlement agreement	9	
Waste increase due to property growth	66	
Food waste costs	45	
Active Norfolk contract	6	
Other	24	494
Reductions in Income		
Reduction in estimated planning fees	186	
Reduction in community grant and other income	30	
Reduction in Housing Benefit Overpayment recovery income	31	247
Transformation Saving Programme		
Council tax systems admin	-14	
Telephone contract / printing & stationary / cleaning	-9	
Transformation structure review	-28	
Horizon Centre income	-17	
Capitalisation of economic growth team costs	-5	
Review of pre-app planning charges	-30	
Corporate Social Responsibility income	-11	
Event income	-15	
Reduce capacity in Housing standards through efficiency	-9	
Reducing temporary accommodation expenditure	-312	
Revenues & Benefits savings	-19	
Waste customer services review	-18	-487

	£'000	£'000
Other Savings		
Broadland News magazine reduced to twice a year	-10	
Reduction in pension contribution rate	-11	
Saving on postage costs	-34	
Removal of budgets for Thorpe lodge	-82	
Reduction in economic growth consultancy costs	-27	
Business grants	-36	
Business training costs	-13	
Reduction in play area contract costs	-10	
Reduction of 1 planning officer post	-17	
Cost of planning design codes will reduce once established	-32	
Reduction in neighbourhood planning costs	-11	
Contribution to Nutrient Neutrality Joint Venture was a one off	-30	
Reduction in disposal costs as assumed dry recycling tonnage reduced	-7	
Other	-29	-349
Growth in Income		
Increase in statutory planning fees	-262	
One off Nationally Significant Infrastructure Project (NSIP) grant	-9	
Broadly active fees	-5	
Additional Homelessness grant	-4	
Home options income	-8	
Waste – New bin set charge	-78	
Waste – Bulky waste fees	-25	
Waste – Recycling credits	-128	
Other	-12	-531
Cost of Services 2024/25		13,959

APPENDIX C: MEDIUM TERM FINANCIAL PLAN (MTFP)

	Assumptions	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Base Net Cost of Services		14,446	13,959	14,223	14,560	14,780
<u>Recurring Adjustments:</u>						
Inflationary Pressures	3.50%		489	498	510	517
Additional refuse round for growth				100		
Transformation Savings		-487	-225	-113	-113	-113
Savings - Customer Experience				-148	-177	-205
Cost of Services		13,959	14,223	14,560	14,780	14,979
<u>Non-Recurring Adjustments</u>						
Internal Drainage Board Precept	5.00%	323	339	356	374	393
Interest Payable	No change	50	50	50	50	50
Investment Income - Treasury Mgt	Reducing	-1,120	-1,020	-920	-820	-720
Investment Income - Broadland Growth	No change	-200	-200	-200	-200	-200
Investment Income - Broadland Living	No change	-68	-68	-68	-68	-68
Council Tax - Deficit / (Surplus)	No change	-56	-56	-56	-56	-56
Trsf to Earmarked Reserves - Waste	No change	500	500	500	500	500
Trsf to Earmarked Reserves - Capital	No change	250	250	250	250	250
Trsf to / (from) Earmarked Reserves	No change	138	138	138	138	138
Net Budget Requirement		13,776	14,156	14,610	14,948	15,266

<u>Funded by</u>						
Council Tax - District Element		6,610	6,924	7,243	7,568	7,898
Council Tax - Special Expenses	No change	99	99	99	99	99
NNDR (Business Rates)	No change	5,104	5,104	5,104	5,104	5,104
Revenue Support Grant	No change	189	189	189	189	189
New Homes Bonus	No change	1,230	1,230	1,230	1,230	1,230
Other Government Grants	No change	544	544	544	544	544
Total Funding - With £5 Council Tax Increase		13,776	14,090	14,409	14,734	15,064

Funding Gap / (Annual Surplus) - £5 CTAX increase		0	66	201	214	202
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<u>Council Tax Calculation</u>						
Council Taxbase (Homes)	1.00%	48,996	49,486	49,981	50,481	50,985
Council Tax - with £5 increase		134.91	139.91	144.91	149.91	154.91
		6,610	6,924	7,243	7,568	7,898

APPENDIX D: ADVICE OF THE s151 OFFICER

The advice of the s151 officer on the robustness of the estimates included in the budget, and on the adequacy of the financial reserves is as follows.

1 Robustness of Estimates

- 1.1 The budget estimates have been produced on a prudent basis, with an emphasis on identifying the existing cost pressures the Council faces and a realistic level of savings and efficiencies. The budget has been constructed so that all known costs are budgeted for (Nb: Any Thorpe Lodge costs to be funded from reserves), and income budgets are based on realistic projections. The budget is therefore constructed on a prudent basis.
- 1.2 There are however a number of significant potential risks in the robustness of the estimates as follows:
 - The expected changes to the formula for council funding and changes to the business rates retention scheme is a source of major uncertainty at the present time, as the impact of any changes could have a variety of impacts. While best estimates have been made, the impact of these changes on the council's funding in the medium term remains unclear.
 - There is an assumption that the Council is able to collect the level of Council Tax planned. The Council has consistently performed well in this area. As Universal Credit is rolled out, the Council is working to ensure that it can manage any resultant customer debt issues.
 - The Council depends on a number of contractors, suppliers and partners to deliver services. The use of partners is important as a delivery model for certain services, and there is a risk that some of these either contract their activities or cease to exist altogether. There could be cost implications that arise should this occur. Where it appears likely that this may happen with particular organisations, then the Council will take appropriate contingency measures to mitigate the impact.
 - There is a risk that the economy stalls and growth is not as assumed in the Medium-Term Financial Strategy. If this were to occur, it would impact on the level of income received by the Council through its fees and charges as well as income from business rates retention. There would also be an impact on the demand on the services provided by the Council such as increasing homelessness and benefit claimants. This in turn would lead to an increase in the savings required in future years.
 - Budget estimates have been prepared on a cautious basis, limiting costs and growth where possible and ensuring income expected to be received, both through fees and charges and grant streams are at a level officers are confident can be delivered. There is a risk that this will be overly sensitive.
 - An allowance for MRF processing costs of £900,000 (£975,000 in 2023/24). This is based on 12,000 tonnes at £75. However, given that the agreement is for a variable gate fee the actual costs will vary from this figure.
 - On the 16 March 2022 Natural England issued new guidance to local planning authorities concerning nutrient enrichment and the role local authorities must play in preventing further adverse impacts to protected wetland habitats. Local Planning Authorities are required to consider the impact of nutrient enrichment before planning permission can be granted and therefore all planning applications for new overnight accommodation in the affected catchments have temporarily been put on hold. Until this issue has been fully resolved this represents a risk to delivery of planning income and growth.

- 1.3 Overall, in my opinion the budget has been based on a reasonable set of assumptions with due regard to the risks and is therefore robust.

2 Adequacy of Reserves

- 2.1 As s151 officer I am also required to report on the adequacy of reserves.
- 2.2 Section 26 of the Local Government Act 2003 gives the Secretary of State power to fix a minimum level of reserves for which an authority must provide in setting its budget. The Secretary of State has the view that section 26 would only be used "...in which an authority does not act prudently, disregards the advice of its chief finance officer and is heading for serious financial difficulty."
- 2.3 The level of reserves is predicted to remain at the level required to finance the medium-term financial strategy. The plans in the Capital Programme include using earmarked reserves to fund an element of the capital programme over the next five years.
- 2.4 The projected level of the main General Fund reserve held by the Council at 31st March 2025 is c£3.3m. This level of reserves provides sufficient flexibility should any of the assumptions made in this budget prove too optimistic.
- 2.5 Assuming Cabinet and Council agree the revenue budget as set out in this report, then in my opinion the level of reserves is adequate for known and potential risks at this time.