

Council Meeting 8th February 2024

Item 12: Cabinet Recommendations to Council – General Fund Revenue Budget 2024/25 and Medium Term Financial Strategy 2025/26 to 2027/28

Proposed amendment to the recommendation:

It is proposed to replace the existing recommendation 2.1 with the following (change highlighted in red):

- 2.1 Approve the revenue budget subject to any amendment arising from the final settlement for 2024/25 for General and Special Expenses, including proposed growth and savings items, as set out in Appendix A and D and summarised in section 4.5; and approve the proposals set out in table 1, noting the updated financial impact.**

Table 1:

No.	Alternate Budget Proposal	Officer comments	Financial Implications
1	Request review into Council's approach to tourism to demonstrate impact and value for money	New Corporate Strategy prioritises tourism and UKSPF has recently supported additional investment in campaigns e.g. Taste the Place - Discover Melton . If proposal supported, add to the Council's existing Service Review programme and schedule accordingly. Due to number of reviews requested, timing, phasing and capacity will need to be considered if supported. Alternatively refer to Scrutiny Committee for consideration as part of the 24/25 workplan.	None until review completed
2	Request review into Council's approach to communications to demonstrate impact and value for money	New Corporate Strategy prioritises improved communication and engagement, with new strategy due to be considered by Council. If proposal supported, add to the Council's existing Service Review programme and schedule accordingly. Due to number of reviews requested, timing, phasing and capacity will need to be considered if supported. Alternatively refer to Scrutiny Committee for consideration as part of the 24/25 workplan	None until review completed
3	Youth Diversionary Activities – Commission an organisation to engage young people in Melton Mowbray and key rural villages to divert them away from risky behaviours and into other services and activities. Review whether alternate funding sources could be found beyond 1 st year	New Corporate Strategy makes commitment to establish a Young Peoples' Strategy. If proposal supported, procurement of a 12-month pilot service could be undertaken, with a requirement for the provider to work with the council to seek ongoing funding sustainability. Prioritisation and scope would need to be agreed, and linkages to existing alternate provision would be required (e.g. youth offending service, family hubs, mental health services, schools, community and voluntary sector etc). Sustainability would remain a risk.	£50k revenue non-recurring.

No.	Alternate Budget Proposal	Officer comments	Financial Implications
4	<p>Make Community Co-ordinator role permanent and full time and increase focus on liaison with Parish Councils</p>	<p>Community Co-ordinator role currently 0.6 FTE and funded until March 2025, so any change would be subject to normal HR policies and procedures. The current role is still relatively new and has a number of responsibilities including liaison with Parish Councils. Expectations and scope for increased focus on Parish Council liaison would need to be clear and well defined.</p>	<p>Role currently funded by UKSPF. Additional cost to make full time (0.4 FTE) = £13k. Cost to make permanent, post April 2025 would be £33k p.a.</p>
5	<p>Establish Rural Flood grant scheme to support Parish Councils' ability to prevent and respond to flood events – examples to include investment in more local resilience stores or the commission of flooding studies to complement existing planning considerations. Scheme to require Parish Council match funding.</p>	<p>As part of normal Local Resilience Forum procedures, the Council, and all partners across Leicestershire, are reviewing the recent storm events and seeking to identify lessons learned. As part of this, consideration is being given to the current coverage of resilience stores and whether these need to be extended.</p>	<p>£50k revenue, non-recurring</p>
6	<p>Town Centre – whilst the funding allocated to the Design Guide (£30k) and the additional allocation of funding for the town centre (£20k) is welcomed, the initial focus for the funding should be on establishing an approved Town Centre Masterplan, setting out the long-term plan for the town layout and function. This should then be underpinned by the Design Guide, place branding and a 10-year asset management plan – owned and adopted by all relevant partners. The £20k (and associated UKSPF funding) allocated should be reserved until such time as these plans are in place. Where possible, the development of the Masterplan should be incorporated within the Local Plan Review.</p>	<p>If supported, consideration would be given as to whether, due to the tight timescales, it was possible to incorporate this within the Local Plan Review. If this wasn't possible, the Masterplan could still be developed and adopted as a Supplementary Planning Document. To have maximum effect, it would be important for relevant partners to buy-in to and support the process. It is unclear at this stage what this approach would cost, but alongside the £50k due to be allocated to the town centre through the budget, there is also £70k available through UKSPF. Accordingly, there should be sufficient funding available. Clearly any additional money spent on developing plans and design guides would reduce the amount available immediately for delivery. The only other consideration is ensuring that government deadlines for UKSPF spend are not compromised while the plans are developed.</p>	<p>No change to proposed budget allocation, other than making utilisation of the funding conditional on completion of the Town Centre Masterplan and Design Guide.</p>

No.	Alternate Budget Proposal	Officer comments	Financial Implications
7	Request review into the Council's approach to managing corporate property responsibilities, specifically in relation to ensuring an appropriate balance between the core in-house team managing day to day, and the requirement to support development projects with additional and specific expertise and capacity.	Subject to affordability, the Council seeks to ensure sufficient capacity & expertise within the core team to manage day to day requirements, whilst drawing in additional capacity and expertise to support larger projects e.g. establishment of LUF Capital Project Manager. If supported, add to the Council's existing Service Review programme and schedule accordingly. Due to number of reviews requested, timing, phasing and capacity will need to be considered if supported. Alternatively refer to Scrutiny Committee for consideration as part of the 24/25 workplan.	None until review completed
8	Request review of financial affordability over the medium term and consideration of options and opportunities for shared services to support long term sustainability.	The Council has a number of shared arrangements in place and continues to look for partners where mutual benefits can be achieved. Effectiveness, resilience and value for money are key considerations. The Council also has a Medium Term Financial Strategy and Financial Sustainability Plan, which includes; procurement opportunities, service reviews, asset development, shared service opportunities and income generation. This is due for review and the government has recently advised that councils will need to submit a Productivity Plan by August 2024. This action has been built into the Corporate Delivery Plan along with the intention to invite an LGA Corporate Peer Challenge for later this year.	None until review completed

Updated Financial Implications:

An updated budget summary setting out the impact of these proposals is set out below:

General Fund – General Expenses	£	£
Deficit to be funded from Corporate Priorities Reserve as per original recommendation		81,073
Additional Growth as Per Amendment		
Increase Community Coordinator Role by 0.4FTE (recurring)	13,180	
Youth Diversionary Activities (non-recurring)	50,000	
Rural Flood Grants (non-recurring)	50,000	
Total Additional Growth		113,180
Contribution from Corporate Priorities Reserve to fund non-recurring items		-100,000
Amended Deficit		£94,253
Increased Deficit over original recommendations		£13,180
Increased Use of Corporate Priorities Reserve		£113,180

The updated MTFS forecast based on the proposed amendment is set out in the table below:

	2025/26	2026/27	2027/28
Potential Deficit	£000	£000	£000
Best Case Scenario	112	386	582
Likely Scenario	451	771	1,015
Worse Case Scenario	1,252	1,733	2,225

As can be seen from the above tables, the proposed amendments result in an addition of £13,180 of ongoing expenditure and, assuming non recurring growth is funded from reserves, an combined and total additional draw £113,180 from the Corporate Priorities Reserve. This reduces the estimated balance on this reserve at 31.3.25 from £969k to £856k.

Director for Corporate Services Comment

As highlighted in the General fund Revenue report the Council has relatively low levels of reserves compared to other similar authorities and the proposed amendment reduces these further and increases the ongoing estimated deficit, albeit by a modest amount. This reduces the Council's future financial resilience further and could increase the need for deeper cuts should deficits as forecast arise in the future.