

Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	Scrutiny Commission response to the Administrations 2024/25 Draft Budget Proposals This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright – Finance, People & Performance (Deputy Leader)
Report Author	Senior Democratic Services & Scrutiny Officer
Corporate Priority	All Priorities: A Place to Live; A Place to Work; A Place to Visit; People Strategy; Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The report sets out the findings and conclusions following scrutiny examination of the Administration's 2024/25 draft budget proposals.

2. Recommendation(s) to Cabinet Executive

- 2.1 That Cabinet Executive considers the comments and recommendations of Scrutiny Commission in respect of the draft 2024/25 budget proposals before making final recommendations to Council.

3. Reason for Decisions Recommended

- 3.1 Scrutiny Commission has a mandate to examine the Administration's draft budget proposals and submit comments to Cabinet Executive which it is then obliged to consider before making its own final recommendations to Council on Budget proposals. All non-executive members may be involved in this process.

4. Matters to consider

4.1 Background

The Administration's 2024/25 draft Budget proposals for the General Fund Revenue Account have been fully considered by the Scrutiny Commission and non-executive members.

Cabinet Portfolio Holders and Senior Officers attended Scrutiny budget meetings to answer questions relating to the draft budget proposals as follows:-

10 January 2024 - Budget Context and Overview

17 January 2024 – Portfolio Holder Question Sessions for:

- Leader
- Finance, People & Performance
- Health, Wellbeing, Community Engagement & Business Support
- Neighbourhood Services & Assets
- Housing, Community & Environmental Services
- Planning Delivery and Enforcement & Corporate Transformation

All figures are as presented at the time scrutiny meetings took place, and do not take account any minor adjustments that may have been made to the budget after those dates.

Budget Gap

Scrutiny noted the Council has benefited from the Funding Guarantee Grant which ensures that every authority has an increase in core spending power of at least 3%. It is this grant that has compensated for the forecast loss of New Homes Bonus funding, lost over a number of years, and has contributed significantly (£2.136m) to minimise the funding gap for 2024/25.

The budget gap arising for the 2024/25 Financial Year is £981k. Scrutiny noted the measures proposed to reduce/close the gap:

Budget Gap	£981,146
Increase in Council Tax by 2.99%	£189,475
Utilisation of Business Rate Pool for ED	£300,000
Increase in Vacancy Savings Provision	£50,000
Remaining Budget Gap to be funded from Reserves	£441,671

Scrutiny would like to thank Portfolio Holders for the comprehensive overview of budget priorities and challenges and commend officers for their work on the budget planning process.

4.2 Proposal(s)

Statement on the Administrations 2024-25 Draft Budget

Council Tax

Members were concerned about the financial pressure that any possible raise in Council tax would have on residents. They noted long term reduction in funding from Government, which placed pressure on local authorities to raise this tax. Members emphasised the importance of maintaining quality services for residents, whilst also supporting those in need.

Members fully considered the options provided to increase Council Tax by either 2.99%, which would generate £189k or £5, which would generate £173k.

Recommendation 1 - Scrutiny would be supportive of a 2.99% increase given the current financial uncertainty that local authorities face.

Recommendation 2 - Scrutiny would welcome an update in 6 months on the levels of demand for Council Tax Support and Discretionary Housing Payments provided or any other similar support scheme.

Vacancy Savings Provision

Members noted the increase in vacancy savings and were concerned that vacancies were not being filled leaving existing staff and services with increased pressure. In the current climate where local authorities all face recruitment and retention challenges Scrutiny want to ensure that staff were supported with timely recruitment to vacant positions.

Scrutiny would welcome information on which services the vacancy savings relate to and how long those vacancies have existed.

Recommendation 3 – that Cabinet considers whether it is appropriate to hold a vacancy savings provision which is based on unfilled positions.

Investments

Scrutiny noted the difficulties that we have experienced with our current Property Fund, however, acknowledges that in the long term we may see more positive returns.

Scrutiny also noted the increase in income from interest on some of our investments.

Recommendation 4 – that Cabinet Executive continues to retain its investments and supports diversification in the Council's investments.

Lightbulb

The new visioning document to be signed by all partners will set out what Lightbulb will look like over the next 5 years. However, Scrutiny recognises the risks associated with funding and the possibility of one of the member Councils withdrawing from the service and the impact that this would have on the Council's budget.

Recommendation 5 - That Scrutiny be notified should a partner withdraw from the service.

Recommendation 6 - Scrutiny requests that the financial impact on Blaby be provided, if one or more partners withdraw their funding from the Partnership.

Recommendation 7 – That a breakdown of Blaby's contribution, compared to other partner authorities be provided.

Health, Leisure and Tourism

Members highlighted the importance of encouraging physical activity in terms of both mental and physical health. The newly adopted Corporate Plan states that the Council has committed to fostering active and healthier lifestyles among our residents, inspiring people to embrace lifestyles that promote physical and mental wellbeing.

Members were concerned that funding from Public Health via Active Together has reduced by over 30% from £74,540 to a proposed £49,570 and that this will result in a reduction in an officer post and our offer in terms of sport and physical activity.

Cabinet Executive should ensure that sufficient budget is provided to ensure that the health, leisure and tourism service is able to meet the priorities of the Corporate Plan.

Recommendation 8 – That the new offer in terms of sport and physical activity be provided to Scrutiny, highlighting what changes have been made.

Hydrotreated Vegetable Oil (HVO)

Last year Scrutiny noted with concern the increased costs of HVO for the fleet at the Depot. Scrutiny have again noted the continued fluctuation in the cost of HVO, which remains high and unpredictable.

Members are supportive of and remain committed to the net zero target. Scrutiny recognise that the HVO fuel will increase pressure on the budget and therefore are keen to explore future initiatives such as electrification of the fleet.

Recommendation 9 - In order to mitigate some of the costs associated with HVO, Scrutiny recommends that the Cabinet Executive explores increased storage capacity of HVO at the depot.

Housing

Scrutiny notes the risks associated with the cost and ability to deliver sufficient temporary and affordable housing provision to meet the increased demand being experienced both locally and nationally.

Scrutiny also noted the Portfolio Holder's concern that any further increase in demand would result in the Housing Team needing additional resource.

Scrutiny are supportive of the Cabinet Executives commitment to providing essential housing services to those in need.

Recommendation 10 - Scrutiny recommends that should demand on the service increase further, resource be increased in the Housing Team to support vulnerable residents.

Key Observations/Comments:

Medium Term Financial Strategy

Scrutiny noted that due to the short-term nature of the funding streams issued in the Settlement Statement for 2024/25, it is difficult to plan ahead with one year funding.

Continued rigorous management and monitoring by the Senior Leadership Team, Cabinet Executive and Scrutiny will ensure the Council continues to be well prepared to respond to challenges as a result of the Fair Funding Review and Business Rates Retention.

Fair Funding & Longer-Term Financial Settlement

Members noted that the continued delay of the Fair Funding Review affected the Council receiving a multi-year funding settlement and as a result, it is not possible to assess the impact it may have on our future financial position. In the interests of clarity, we encourage the Council Leader to take every opportunity to press for this review to be carried out as soon as possible.

Transition to Electric Fleet Vehicles

Members queried the life-cycle of the current vehicles at the Depot, including replacement options and the Council's commitment to electrifying the fleet. Scrutiny may wish to explore this further as part of its work programme.

Increase in Neighbourhood Services Fees and Charges

Members considered the increase to discretionary fees and charges and requested that further information be provided to Scrutiny on these.

IT Provision

Scrutiny are keen to provide comment on the proposals for the future of IT service provision at the earliest opportunity. Scrutiny request that it be provided with a comprehensive breakdown of the revenue and expenditure implications of the options being proposed.

Car Parks

Scrutiny noted that car parking income has reduced from £331,000 to £226,000 and that the Portfolio Holder is considering revisiting the Car Parks Strategy (approved in 2022).

Scrutiny are concerned that the recently adopted Car Parks Strategy need revising so soon and are keen to explore the issues that have led to this.

Given the reduction in car park income and the requests from businesses to provide season tickets, Scrutiny requests further information on where income and footfall has reduced and the reasons for this. Dependent on the outcome of this Scrutiny may wish to explore this further as part of its work programme.

Transformation

Scrutiny welcomes more detail on how the service is assisting services to make efficiencies and where possible, savings. Scrutiny looks forward to working with the Transformation team and the Portfolio Holder on this.

4.3 Relevant Consultations

Non-Executive Members, Portfolio Holders, Senior Officers.

4.4 Significant Issues

None, as they relate to Cabinet Executive as the decision maker.

5. What will it cost and are there opportunities for savings?

5.1 There are no cost implications as a result of this report.

6. What are the risks and how can they be reduced?

6.1 There are no risks associated with this report.

7. Other options considered

- 7.1 No other options were considered. Budget scrutiny is a constitutional requirement.

8. Environmental impact

- 8.1 There are no environmental impacts associated with this report.

9. Other significant issues

- 9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

- 10.1 None

11. Background paper(s)

- 11.1 Meeting of the 'Scrutiny of the Administration's Budget Proposals'
[10th January 2024](#)

Meeting of the 'Scrutiny of the Administration's Budget Proposals'
[17 January 2024](#)

12. Report author's contact details

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