

Budget Process 2024-25

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Current Context

Pandemic
Impacts

International
events

Climate
change

Demographic
pressures

Future
funding
arrangements

Significant Challenges Looking forward

Pay inflation

Utilities

Fuel

Increase in Audit Fees

Contract increases – where linked to RPI/CPI

Desire to reposition resources towards priorities

Grant funding capacity

Future funding levels???

Environment Bill

Strategic and Longer Term Issues/Opportunities (BIG TICKET ITEMS)

- Driving growth in renewable investments in the locality 100% retained business rates
- Driving growth in Business Rates
- Larger service changes – Environment Bill
- IDBs position
- Under-utilised assets – disposal/development
- Move towards prevention rather than cure – eg homelessness, contact prevention – more online etc.

Medium Term opportunities

- Invest to save – investment to create savings or revenue
- New systems and digitalisation – channel shift, reduction in staffing requirements creating savings as a result
- Service changes - Alignment of Procurement

Other Opportunities..

- Review service provision – hand off assets to others to run, review service levels
- Salary savings, vacancy management reviews
- Future proofing assets and use technology
- Contracts
- Commercialisation – Environmental Services, Property, Services (PSPS)
- Sharing services –s113 opportunities
- Income
- Collection fund – driving growth, reducing subsidy

Areas to consider

- Staffing – review all roles – 113/shared. Reduce use of Agency and overtime.
- Service reviews – up and coming this year and on-going, they need to generate – efficiency, savings and investment in the service.
- Accurate budgeting!
- Smart procurement – taking some care and giving this area some focus. Shared procurement generally creates savings.
- Fees and charges – our costs are increasing charges need to increase.
- Capital projects – potential treasury management implications eg taking debt.

ELDC

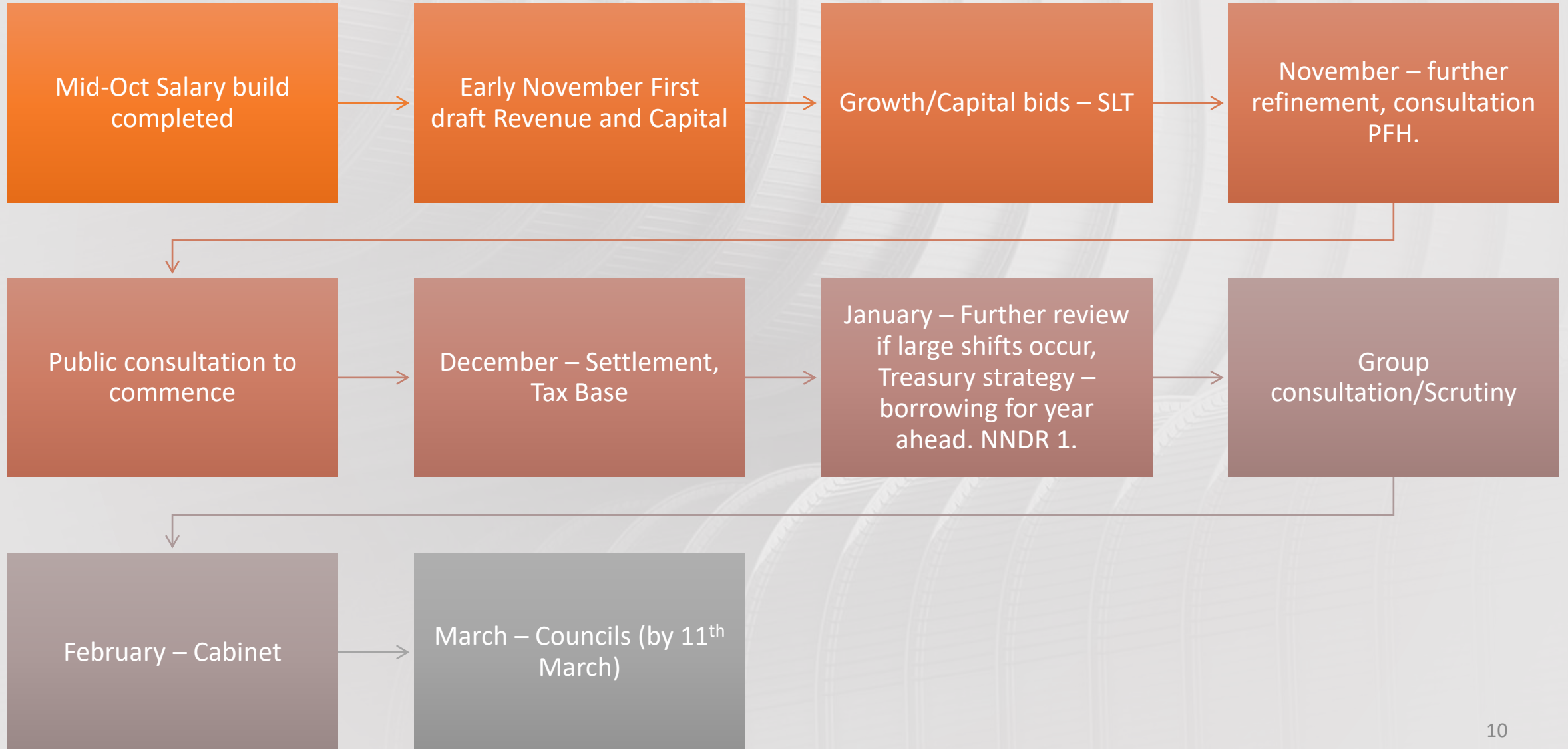
Pressures:

- Drainage board
- Pay inflation
- Towns Fund – Debt? Revenue Support?
- Leisure contract inflation
- Increased utilities
- Kingfisher Park
- Invest East Lindsey – KP element
- Ongoing & Continuing COVID-19/Cost of Living Emergency Response
- Environment bill

Progress so far

- Ongoing – engagement with senior members regarding up and coming pressures
- Continued lobbying DLUC – IDB, MRP,
- July – CMT encouraging the development of opportunities
- August – early preparations for budget process
- September – salary budget build commenced
- November – report to members early heads up of the budget challenges looking ahead

Timetable



Budget Preparations

Settlement announced towards end of December

Impact of Covid 19 still being felt on income streams

Pressures in certain service areas

Efficiencies plans will be integrated into the new Annual Delivery plan (ADP)

Process well underway working with budget holders

Risks to Budget and Medium Term Financial Strategy

Government Grant – business rates, fairer funding, NHB

Drainage levy

Further Covid impacts

Income levels

Rising costs

Service pressures – homelessness etc

Future policy changes – Environment Bill

Need for further and on-going efficiencies

Budget Timetable

Executive Board/Cabinet review Draft Budget 2024/25	10th Jan 24
Draft Budget released for public consultation	January 24
Audit and Governance	24th Jan 24
Overview & Scrutiny	23rd Jan 24
Executive Board/Cabinet approve Final 24/25 Budget	14th Feb 24
Council approve Budget and Council Tax	28th Feb 24

Questions?