

Notice of Meeting



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Special Executive

Thursday 23rd November 2023 at 5.00 pm

**in the Council Chamber, Council Offices,
Market Street, Newbury**

Note: This meeting can be streamed live here: <https://www.westberks.gov.uk/executivelive>

Date of despatch of Agenda: Wednesday, 15 November 2023

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Sadie Owen (Principal Democratic Services Officer) on 01635 519052, e-mail: sadie.owen1@westberks.gov.uk

Further information and Minutes are also available on the Council's website at www.westberks.gov.uk



To:	Councillors Lee Dillon (Chairman), Jeff Brooks, Heather Codling, Martin Colston, Iain Cottingham, Denise Gaines, Stuart Gourley, Janine Lewis, Alan Macro and Tony Vickers
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Agenda

Part I

Pages

- 1. Apologies for Absence**
To receive apologies for inability to attend the meeting (if any). 5 - 6
- 2. Declarations of Interest**
To remind Members of the need to record the existence and nature of any personal, disclosable pecuniary or other registrable interests in items on the agenda, in accordance with the Members' [Code of Conduct](#). 7 - 8

Items as timetabled in the Forward Plan

Pages

- 3. Medium Term Financial Strategy and 2024-25 revenue budget proposal consultations (EX4440)**
Purpose: the report sets out the financial planning assumptions for coming financial years of the Medium Term Financial Strategy (MTFS) for 2024-28. The purpose is to provide members of the Executive with the latest financial planning assumptions and for the Executive to consider any implications for the future year's budget. The financial context is crucial to understand the requirement for future decision making. 9 - 26

Sarah Clarke
Service Director: Strategy and Governance

West Berkshire Council Strategy Priorities

Council Strategy Priorities:

PC1: Ensure our vulnerable children and adults achieve better outcomes

PC2: Support everyone to reach their full potential

OFB1: Support businesses to start, develop and thrive in West Berkshire

GP1: Develop local infrastructure to support and grow the local economy

GP2: Maintain a green district

SIT1: Ensure sustainable services through innovation and partnerships



Agenda - Executive to be held on Thursday, 23 November 2023 (continued)

If you require this information in a different format or translation, please contact Sadie Owen on telephone (01635) 519052.



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Executive – 23 November 2023

Item 1 – Apologies for absence

Verbal Item

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Executive – 23 November 2023

Item 2 – Declarations of Interest

Verbal Item

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Medium Term Financial Strategy and 2024-25 revenue budget proposal consultations

Committee considering report:	Executive
Date of Committee:	23 November 2023
Portfolio Member:	Councillor Iain Cottingham
Date Portfolio Member agreed report:	14 November 2023
Report Author:	Joseph Holmes; Executive Director (Resources)
Forward Plan Ref:	EX4440

1 Purpose of the Report

- 1.1 This report sets out the financial planning assumptions for coming financial years of the Medium Term Financial Strategy (MTFS) for 2024-28. The purpose is to provide members of the Executive with the latest financial planning assumptions and for the Executive to consider any implications for the future year’s budget. The financial context is crucial to understand the requirement for future decision making.
- 1.2 The Council has a requirement to set a balanced budget for the year ahead. In advance of the final budget setting meeting of Full Council, the Council needs to prepare options for savings and investments. This paper highlights some of these options and requests that Executive includes these within its future budget for 2024-25, to be presented to Full Council, and that, where appropriate, these are consulted upon before inclusion within the final budgets for discussion and approval.

2 Recommendations

- 2.1 For the Executive to approve a consultation exercise on the specific budget proposals identified within the report at para 5.25.
- 2.2 For the Executive to note the report and consider the implications of this for the final budget papers in February 2024.

3 Implications and Impact Assessment

Implication	Commentary

<p>Financial:</p>	<p>All of this paper highlights financial implications, though in summary, the implications are:</p> <ul style="list-style-type: none"> - That this paper will enable the Council to have greater certainty over how it will deliver a balanced budget for the year ahead - That the MTFFS continues to include an increase to reserves of £1m in the forthcoming financial year - Changes to some of the Council’s financial policies e.g., Minimum Revenue Provision and the utilisation of the flexible use of capital receipts policies that will come to a Full Council before the end of the current financial year - The requirement to consult externally on certain savings areas
<p>Human Resource:</p>	<p>Where individual savings proposals have Human Resource implications, these are to be discussed with the Human Resources service. Any staff restructuring of a scale of over 20 posts being made redundant would require a separate paper to the Executive (and a 30 days consultation and a HR1 form to Government).</p>
<p>Legal:</p>	<p>The legal team have reviewed the savings proposals and provided advice on those which do require external consultation as detailed in this report.</p>
<p>Risk Management:</p>	<p>Individual risks contained within savings will need to be considered in the final budget setting papers. Where there are risks within policy or externally consulted on proposals, these will be considered as part of responses received.</p> <p>The Council, as has been highlighted across the sector, faces increased financial risk through rising costs and demand and constraints on income rises. This increases the pressure on the Council’s finances and the need to protect the general fund reserve, and to ideally enhance it through building back up risk reserves to manage in year risk more effectively.</p>
<p>Property:</p>	<p>Where proposals have a property implication these have been discussed with the property service team and some of these proposals are currently being enacted where leases were due to end in the current financial year.</p>

Policy:	See Council Strategy comment.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:		X		Any individual schemes will be considered for EIAs as part of the consultation process and will be reported back as part of the final Council budget setting process.
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				
Environmental Impact:		X		None directly
Health Impact:		X		Noe directly
ICT Impact:		X		The proposals within this paper do not have a direct impact on ICT
Digital Services Impact:		X		The proposals within this paper do not have a direct impact on digital services

Council Strategy Priorities:		X		<p>The savings proposals contained within this paper have been set within the context of delivering the new Council Strategy.</p> <p>The report and increase in reserves proposed supports the “Services we are proud of” Priority 1 within the new Council Strategy.</p>
Core Business:			X	<p>There are some impacts on core business contained within the savings proposals and that is the purpose of the consultation exercise to be undertaken in November/December. The majority of proposals for the next year’s budget will not have a direct impact on core service delivery and in some instances will enhance service delivery.</p>
Data Impact:		X		<p>The proposals are not expected to have a significant data impact and the forthcoming consultation responses will help inform any unforeseen implications</p>
Consultation and Engagement:	<p>Internal</p> <ul style="list-style-type: none"> - Executive members - Corporate Board - Consultation and communications team <p>External</p> <ul style="list-style-type: none"> - Public - Consultation exercise to be commenced following this paper’s consideration at the Executive - Members – opportunity to feed into the consultation exercise and see options contained in advance of the full budget papers to February 2024 Full Council 			

4 Executive Summary

4.1 This paper highlights the medium term financial planning assumptions and position for the Council. In line with many other Councils, West Berkshire Council (WBC) faces significant financial pressures. The impact of high inflation, significant growth in the

demand for services, and Government funding below the prevailing rate of inflation, places a growing pressure on the Council's finances.

- 4.2 It is crucial that the Council plans for its financial future. The Council must set a balanced budget, for the year ahead, and this paper highlights the challenges faced by the Council and some of the steps the Council is taking to address these. The report details the key financial planning assumptions, for example on Council Tax income and that the Government funding levels are as per the 2023-24 finance settlement where 2024-25 numbers were provisionally shown. Once demand pressures are added in, as well as increased inflationary pressures, the Council has an underlying significant savings requirement to have a balanced budget. The proposal in the Medium Term Financial Strategy (MTFS) planning contains an increase in reserves each year by £1m. Though this report is not about the current financial year, the in-year position is important to consider as part of longer-term planning as it highlights that the longer term strategy cannot be reliant on the use of general fund reserves.
- 4.3 The paper includes an update on work to achieve a balanced budget to date, and this includes almost £12m of savings proposals. These will be detailed in full for the Full Council meeting in February, but the proposals included within this paper are those that require external consultation or policy changes.

5 Supporting Information

Background

- 5.1 The Council has a requirement to set a Budget, at a Full Council meeting, by early March every year. For the 2024-25, the Full Council meeting is the 29th February 2024. This paper sets out the financial planning assumptions that are currently used, though these estimates will be updated through the Local Government finance settlement and other information that is made available in the coming weeks, and the financial position for the Council for future years.
- 5.2 Local Government finance has become far more high profile in the national media over recent weeks and months. In recent months, Birmingham City Council has been the latest Council to issue a section 114 report (a report which details that the Council has insufficient resources to meet expenditure and currently does not have any other means of meeting future liabilities). A range of other Councils have stated that they believe they are 'very likely' or may issue a section 114 notice in the near future. West Berkshire Council, in the quarter 1 report to the Executive, is highlighting significant in year pressures in the revenue budget through rising social care demand, inflation costs and the higher use of agency staff, but proposals are expected for quarter 2 reporting that reduces this financial overspend.
- 5.3 There have been a variety of reports recently regarding local government finances. The Local Government Association (LGA) have raised the lack of flexibility for local authorities to raise planning fee income, adult social care costs and children's and

families social care costs¹. Unison, a major Local Government union, have highlighted a financial gap of £3.5bn² for the 2024-25 financial year.

Table 1.1: Councils in financial difficulties

Councils who have issued a s114 notice	Councils who have highlighted financial difficulties / threat of a s114 notice³
Birmingham City Council	London Borough of Havering
Woking Borough Council	Royal Borough of Windsor & Maidenhead
Slough Borough Council	Medway Council
Thurrock Council	Southampton City Council
Nottingham City Council	Kirklees Council
London Borough of Croydon	Hampshire County Council
Northumberland Council	Stoke-on-Trent Council
Northamptonshire County Council	Somerset Council

5.4 The Council is required to have a balanced budget for the year ahead. Unlike other parts of the public sector, Local Government must set a balanced budget by law, and this budget must be set based on reasonable estimates and assumptions. The Council needs to plan ahead for the forthcoming budget in 2024-25, but also provide a framework for future budgetary decisions in the years 2025-28 to enable a longer term view of the Council’s wider financial position.

5.5 The Executive are also asked to consider the wider context that the Council’s budget is set within. As noted above, Councils across the country are facing extreme financial pressure like never before. In the future the reform of Local Government finance remains uncertain, and so the base case assumption within the MTFs is that this would not come into effect until 2026-27 at the earliest. It is assumed that the impact, even

¹ <https://www.local.gov.uk/about/news/lga-analysis-councils-face-almost-ps3-billion-funding-gap-over-next-two-years#:~:text=News-.LGA%20analysis%20%2D%20Councils%20face%20almost%20%2C%20A33%20billion%20funding%20gap,Local%20Government%20Association%20reveals%20today>.

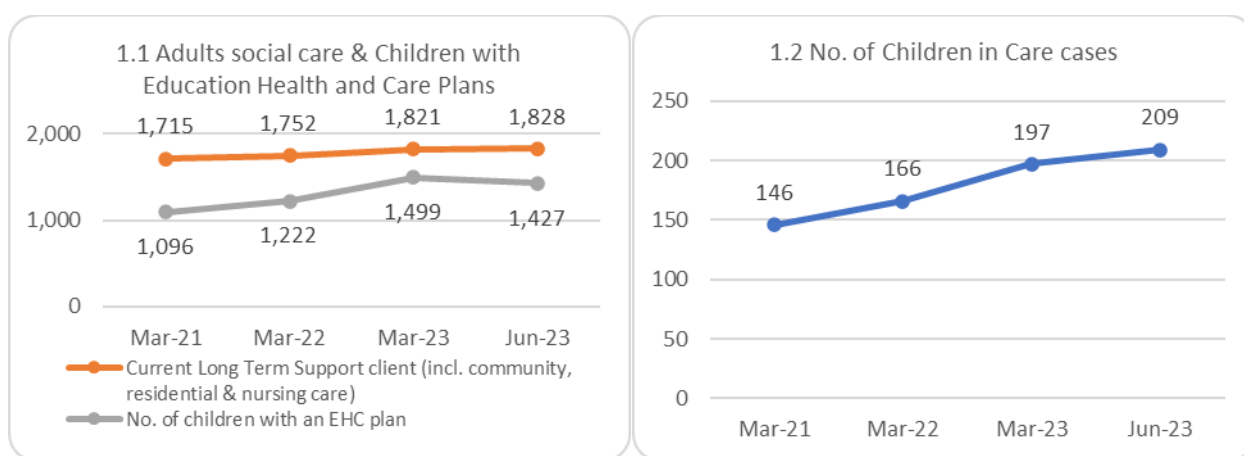
² <https://www.room151.co.uk/151-news/councils-face-funding-shortfall-exceeding-3-5bn/>

³ This is not a definitive list – there are a variety of Local Government and local and national media articles on specific Council’s financial position

after this date, on the Council would not be significant unless there was a hard reset of the business rates baseline. By 2026, it will be thirteen years beyond the original business rates baseline provided to WBC. If there was a hard reset this would immediately remove over £10m of funding available to the Council and put the Council at risk of issuing a section 114 notice. It is also important to consider the accounting framework for the High Needs Block deficit that sits within the Dedicated Schools Grant (DSG). At present, this is £5.1m and when, or if, the accounting adjustment from Government is removed in 2025-26, this would immediately be a reduction to the Council’s General Fund balance. Again, this would put a significantly increased risk of the Council’s section 151 officer issuing a section 114 report as the unmitigated deficit is expected to increase to £17.8m over the period of the MTF5.

5.6 Set against these wider financial pressures, the Council has also seen significant growth in demand for its services. The Council spends the majority of its money on social care services and supporting children in their education. These areas have not only seen large increases due to the highest levels of inflation for 40 years, but also due to rising demand. As can be seen from the charts below, Children and families’ Social Care cases and Education Health Care Plans (EHCPs), where there are often increased support and transportation costs for the Council, have risen rapidly in recent months. The Council is also seeing pressure from Government changes and policy implications, for example the long-term costs of greater numbers of displaced people from other countries in West Berkshire, and a proposed 151% increase to External Audit fees.

Chart 1.1: Children’s Social care and EHCP increases.



5.7 This combination of wider financial stress on the Council and localised demand pressures means that balancing the 2024-25 budget will be a challenging task. To provide the Executive with supporting information on the construction of the budget for the year(s) ahead, key assumptions are included below, alongside the overall table of the Medium Term Financial Strategy.

Table 1.2: Summary Medium Term Financial Strategy assumptions

2023/24 £m	Line ref	Medium Term Financial Plan (MTFP)	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
2.99%		Council Tax income	2.99%	2.99%	2.99%	2.99%
2.00%		Adult Social Care Precept	2.00%	2.00%	2.00%	2.00%
117.5	1	Council Tax (incl. ASC)	123.6	130.6	137.9	145.7
27.3	2	Retained Business Rates	29.3	30.2	31.1	32.1
7.3	3a	Adult Social Care BCF and iBCF ringfenced funding	8.5	8.7	8.8	9.0
6.8	3b	Social Care Grant	7.7	8.4	8.4	8.4
1.2	3c	ASC Market Sustainability & Improvement Fund	2.2	1.8	2.4	2.4
0.3	3d	ASC discharge fund/ICB	1.6	0.2	0.0	0.0
1.1	4a	New Homes Bonus	1.1	1.1	1.1	1.1
0.7	4b	Services Grant	0.7	0.7	0.7	0.7
0.3	4c	Other non-ringfenced grants	0.4	0.4	0.4	0.4
0.0	4d	3% funding guarantee floor grant	0.5	0.0	0.0	0.0
1.8	5	Collection Fund deficit (-)/ surplus	-1.0	0.0	0.0	0.0
164.3	6	Funds Available	174.6	182.0	190.9	199.7
141.2	7	Base budget after adjustments	158.6	166.1	173.1	181.7
5.3	8a	Pay inflation	3.5	2.1	2.3	2.3
4.9	8b	Contract inflation and non pay inflation	1.4	1.4	1.9	2.1
10.1	8c	Modelled growth	11.2	4.0	4.2	4.4
0.0	13b	Cost of ASC reforms	0.0	1.8	0.6	0.0
2.3	9a	Investment in Council Strategy priorities	1.6	0.6	0.7	0.8
1.3	9b	Investment due to Covid-19	0.0	0.0	0.0	0.0
1.4	9c	Other investment	1.4	1.2	1.6	1.8
0.6	9d	Increase in capital financing cost	1.8	1.8	1.8	1.8
-9.1	10	Savings and income requirement	-14.2	-6.9	-5.5	-5.6
157.9	11	Annual Budget Requirement	165.1	172.1	180.7	189.3
0.8	12	One off investment/savings	0.9	0.2	0.4	0.4
158.8	13	Net Budget Requirement for Management Accounting	166.0	172.3	181.1	189.7
7.3	14	Adult Social Care BCF and iBCF ringfenced funding	8.5	8.7	8.8	9.0
166.1	15	Budget Requirement	174.5	181.0	189.9	198.7
-1.5	16a	Use of Earmarked Reserves	0.0	0.0	0.0	0.0
0.0	16b	Use of Transformation Reserve	0.0	0.0	0.0	0.0
-0.3	16c	Use of Collection Fund Reserves	0.0	0.0	0.0	0.0
0.0	16d	Increase in reserves	1.0	1.0	1.0	1.0
164.3	17	Budget Requirement after use of reserves	175.5	182.0	190.9	199.7
		<i>£10k roundings may apply</i>				

Income assumptions

5.8 The above table sets out a range of income assumptions. Council Tax (including the Adult Social Care precept) is the Council's main source of income and represents 71% of income. The MTFSS assumes, as does the Government in finance settlements, that Council Tax will increase to the maximum level before referendum principles occur, which is 4.99% overall. There is an assumption that the Council tax base, the number of band D equivalent properties in the district, increases by 1%.

5.9 The other areas of key income are from retained business rates and Government grants. The Council reviews this level of income using external models and this income is the amount of business rates the Council retains after providing approximately two thirds of business rates collected locally back to Central Government. The Government have also indicated the 2024-25 indicative funding amounts through the Local Government finance settlement in early 2023. These figures may change, but a range

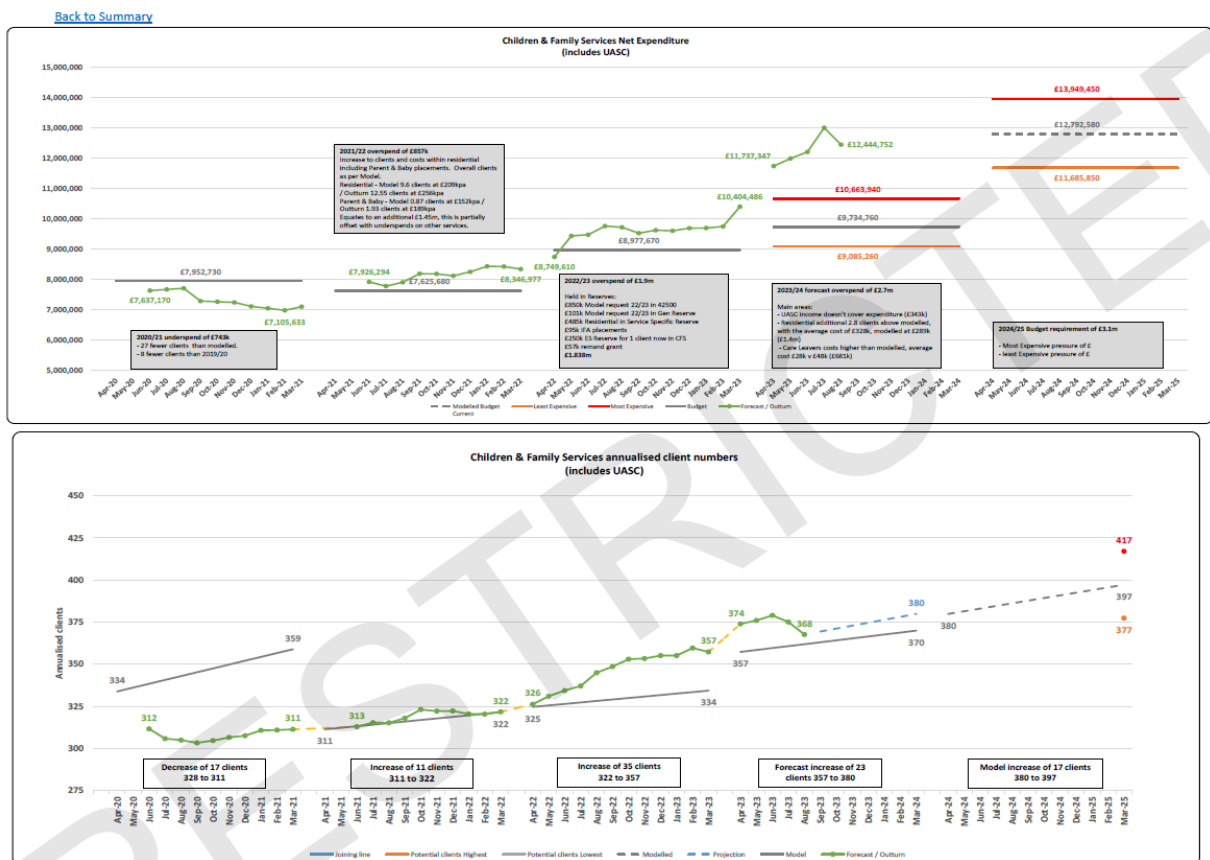
of assumptions have been made using these figures or assuming, in their absence, a flat level of income.

Expenditure assumptions

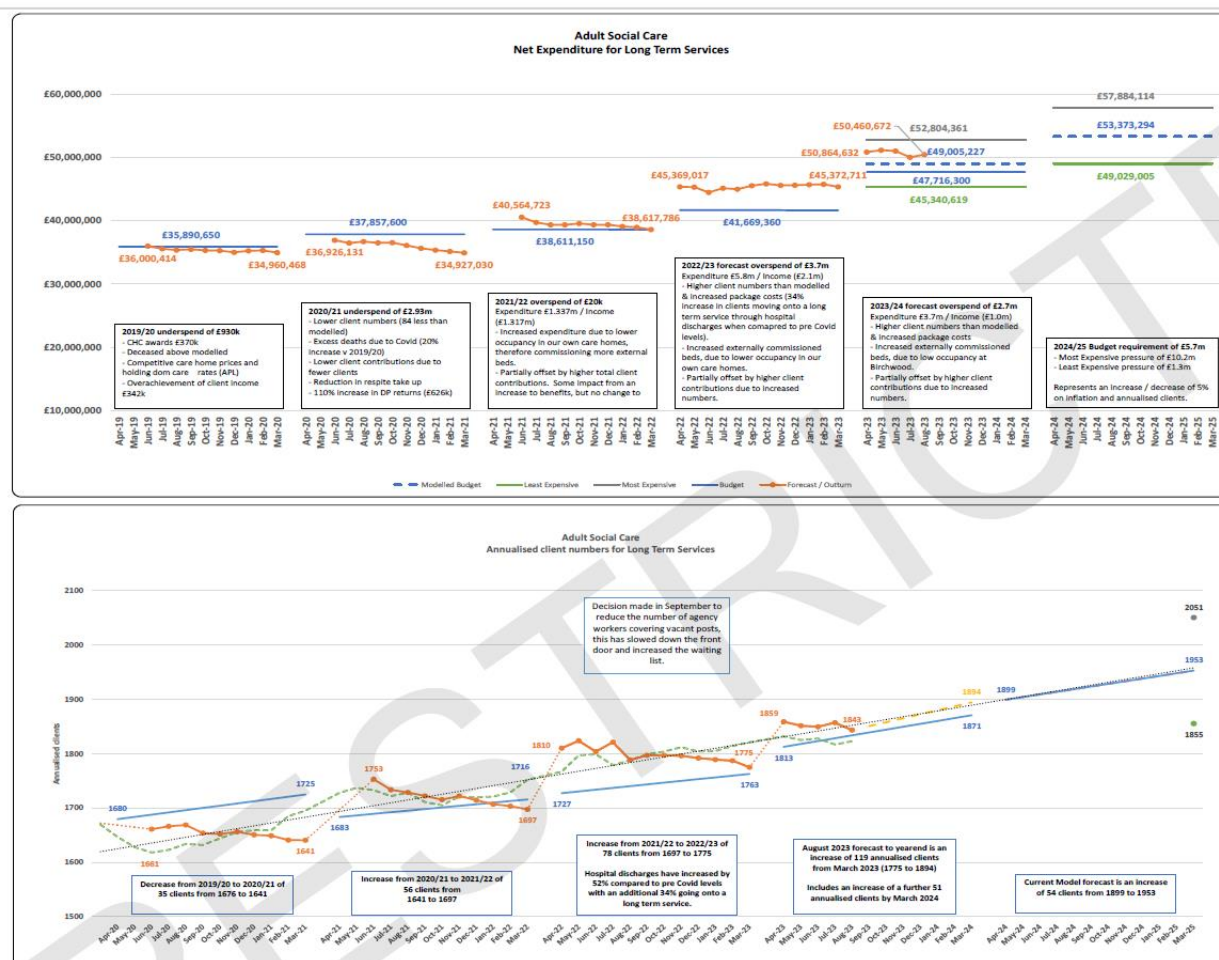
5.10 The Council then applies increases to expenditure based on contractual and inflationary increases. These are mainly for core contracts e.g. waste management, where there is a clear inflationary uplift in the contract, or an assumption on expected staff award for the year ahead, whilst realigning the budget for any in year pay awards provided (the Council provided for 3.5% in line with the Government assumption in 2023-24 and has adjusted for the 3.88%+ pay award in the MTFs in the future). For 2024-25 the assumed staff pay award is 3.5%.

5.11 The largest area of expenditure pressure is in respect of the social care models for adults and children and family services. This area is seeing a significant increase and is the prime reason for the financial pressure the Council is facing in-year and for the next financial year. To provide some context, this cost increase in the financial models represents a rise in Children and family services between March 2022 and the forecasts for 2024-25 of 46% and in respect of Adult Social Care over the same period of 38%. Future increases of this level will place major financial pressures on the Council and highlight the need for transformational activity to take place within services and via the recently established Transformation programme.

Chart 1.2 - Social care models



Medium Term Financial Strategy and 2024-25 revenue budget proposal consultations



5.12 Investments are also proposed, to match demand increases, Council priorities, and reflecting financial pressures for the Council.

5.13 The Council is also able to use reserves. As per the previous paragraphs, the Council is facing significant in-year pressure, so the use of general fund reserves is not appropriate; indeed, this budget includes a £1m increase to reserves to replenish reserves and bring greater financial resilience for the Council. The increase of £1m is proposed through the MTFs to provide greater longer term financial sustainability.

5.14 The Council, as it has in previous years, is proposing to use the flexible use of capital receipts to fund transformational activity. The Department for Levelling Up, Housing and Communities (DLUHC) sets out the guidance around the flexible use of capital receipts and the Council is proposing to use approximately £1.5m of this to fund a range of transformation activity (the final figure will be included within the Full Budget for Council in February). This is a larger level than in previous years as a policy is being proposed to disinvest from the Commercial property portfolio over the longer term and this will provide some capital receipts. This has the financial benefit of generating significant capital receipts which, compared to when the Council undertook the initial borrowing for commercial investment, are worth far more to the Council in offsetting future borrowing costs due to the much higher costs of financing capital expenditure now compared to 2017-2019. This policy change will also provide substantial transformation funding opportunities to enable the Council to develop early intervention activities as well as develop and deploy business cases to reduce costs in the future.

5.15 To then balance the budget, the Council needs to find a range of savings and income generation options. At present, there remains a gap of £2m assuming all savings identified are approved by Full Council following any relevant consultation as required.

Budget proposals

5.16 To address the financial gap between forecast income and expenditure the Council is proposing a range of savings proposals. It is important to note that these do not, at present, address the full financial gap for 2024-25 and present a balanced budget. This highlights the difficulties of preparing a balanced budget at a time of rising, high cost demand, in social care with constraints on the level of income available to the Council.

5.17 The savings proposals have been split below into those that require consultation and those that do not.

5.18 All savings proposals will not be decided upon until the final Council budget meeting on the 29th February. The purpose of consultation is to enable decision makers (in this case Executive and ultimately Full Council on the 29th February 2024) to assess these proposals in light of the impacts under the Equalities Act 2010 and that equalities issues are taken into consideration where changing, redesigning or removing services. The consultation on respective savings will run from 27th November to 11th January and the summary of results included in the final budget pack for members on the 29th February.

Proposals that do not require consultation

5.19 As part of proposals that are being reviewed at present, there are approximately £7.5m of savings that do not require a formal consultation as it is expected these will not directly impact service provision for residents. These savings will be included in the final budget papers for approval to Full Council.

5.20 These savings include efficiency savings, for example where procurement savings have been realised on our new telephony contract, the removal of vacant posts and efficiency reviews of historic expenditure, as well as new income streams, for example from the new Solar Farm due to be built in the next financial year.

Table 1.3: Savings that do not require external consultation

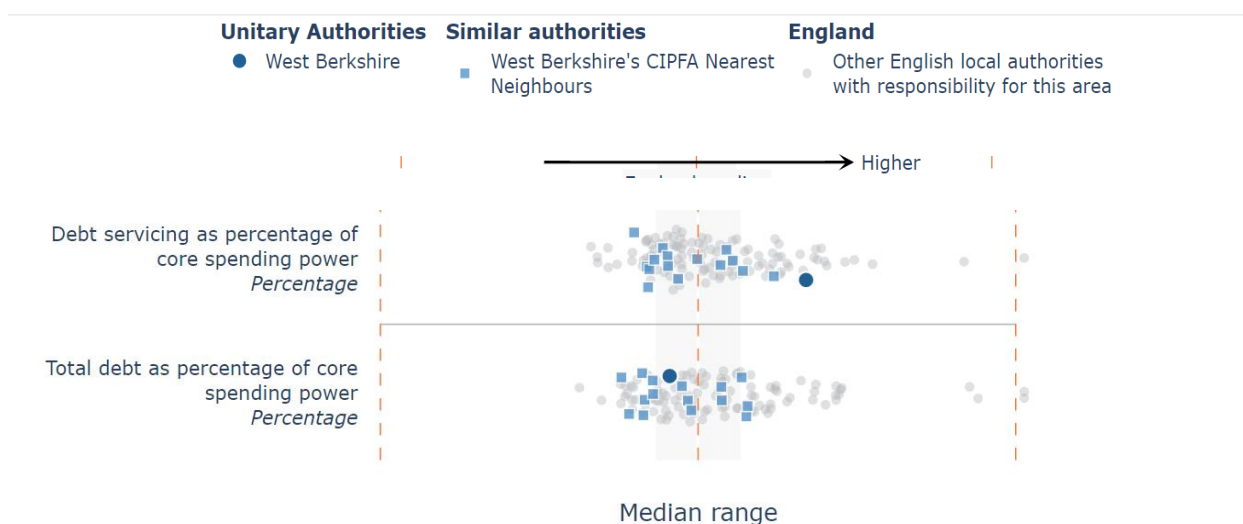
Item	Proposals	Saving / £m
Savings that do not require consultation	Various savings from efficiency, income generation, utilisation of external funds and internal reviews and service redesign.	7.3

Proposals that do not require consultation but do require a change of Council Policy

5.21 The following proposals do not need a formal public consultation but will require the Council to change its own policies. For these purposes, they are policies that are reserved to Full Council to approve.

5.22 As part of the response to the in-year financial pressures, the Council has undertaken a review of its Minimum Revenue Provision (MRP) policy. This is part of the amount of money that the Council sets aside to finance capital expenditure. The Council recently changed treasury management advisors and it was an opportune time to review the MRP policy. This is an area the Council has been seeking to review as comparatively, the Council has below average levels of debt but has made higher than average contributions to repay debt; see the below chart from the recently created Government body OFLOG (Office for Local Government).

Chart 1.3: OFLOG comparison of WBC vs other Councils debt and debt financing (2021-22 – latest information⁴)



5.23 Proposals have come forward indicating a saving in the range of £0.8m to £4.0m and the Council is reviewing these; a figure of £2m is included at present in future years and links to the Asset Management Strategy, Property Investment Strategy and Capital Strategy.

5.24 As part of the in-year financial review, the Council is also undertaking a review of its capital assets including commercial property (see related papers on the Executive agenda for 2nd November 2023) and seeking to realise some capital receipts to enable:

- (a) Funds to finance future capital financing rather than utilising external borrowing.

⁴ https://oflog.data.gov.uk/finance?show_selected_la=Show+selected+authorities&show_cipfa_nns=Compare+to+CIPFA+Nearest+Neighbours&local_authority=West+Berkshire&show_england=Show+all+local+authorities+in+England+with+these+responsibilities

- (b) A greater use of the flexible use of capital receipts to fund existing transformational activity, that could not be funded via this route due to a lack of capital receipts to apply.
- (c) The use of the flexible use of capital receipts to fund new and future transformational activity to seek to reduce costs and transform services over the life of the Medium Term Financial Strategy.

Table 1.4: Savings that require a change of policy

Item	Proposal	Amount / £m	Approval required
Review of the Council's MRP policy	To reduce the amount of capital financing contributions that the Council makes. This will be in line with existing Government policy and has been subject of external advice from the Council's treasury management advisors	2+	Full Council
Utilisation of the flexible use of capital receipts	Utilisation of capital receipts, in line with the Government's flexible use of capital receipts guidance, to fund transformational activity. This includes investment proposals to reduce ongoing children's and adults social care costs, invest to save projects, and existing staffing resource that is focussed on digital and project work to deliver future service improvement and lower costs	1.5	Executive (for disposal) Council for strategy on flexible use of capital receipts
Total	Proposals that require a change of policy	3.5+	

Proposals that do require consultation

5.25 In line with the equalities impact assessments framework, the savings below are proposed to be consulted upon and will go out for public consultation pending approval of this paper by the Executive.

Table 1.5: Savings that require external consultation

Item	Consultation proposal	Estimated saving / £m
Adult Social Care Transport services funding	<p>Range of options to charge for where transport services are currently provided free of charge.</p> <p>Transport does not have to be provided as part of an individual's care package under the Care Act and WBC are one of the few local authorities provides transport as part of an individual's care package.</p>	0.1 – 0.4
Close or find an alternative provider to run Willows Edge care home	Proposals for the closure or alternative provision of one of the Councils remaining three care home facilities.	0.24
Reduced contributions to community transport	Removal of £10k from the community transport operator grants.	0.01
Restructure parking fees	Proposals for changes to car parking fees within the district	0.45 - 0.5
Reduce opening hours of Household Waste Recycling Centres (HWRC)	Amending opening hours of the two HWRCs in the district	0.059
Reduce frequency of grass cutting	This proposal will result in a significant reduction in the grass cutting frequency each year from the current 7 cuts to between 2 and 4 each year.	0.22
Reduce litter and dog waste bins	Removal of dog bins to level of only at selected higher use areas. Removal of half of non-town centre litter bins	0.09
Reduce frequency of weed treatment	Reduce annual application from two to one treatment.	0.02
Reduce funding for gully emptying and bridge maintenance	Gullies are emptied on a risk based approach, informed by the type of road on which they are situated, the potential to impact 3rd party	0.11

	<p>property and based on surveys undertaken over a number of years which identified those gullies that tend to fill more frequently than others. Based on this information, gullies have been placed on a 6 month, annual, 2 year or 4 year emptying programme.</p> <p>West Berkshire Council has 327 highway structures which require inspection every other year. Many of the structures require special access for inspections and require routine maintenance (drainage clearance, removal of foliage, minor repairs, pump servicing) as part of, or following the inspection process.</p>	
Restructure Adult Social Care home charges	To increase fees above inflation at ASC care homes	Up to 0.08
Total	Savings that require external consultation	1.4 to 1.75

5.26 Summary of savings proposals

Table	Amount	Consultation
1.3 – Savings that do not require external consultation	7.3	None identified at present – any future consultation will be undertaken if required
1.4 – Savings that require a policy change	3.5	None
1.5 – Savings that do require consultation	1.4 to 1.75	Yes
Further savings required	2.0	To be confirmed
Total savings	14.2 – 14.55	

5.27 To achieve a balanced budget the Council still needs to find additional savings of £2.0m. Revised internal targets have been set and the implications of these savings will be considered as part of the final budget papers.

6 Other options considered

- 6.1 The Executive could do nothing and wait for all proposals to come to Full Council in February. This has been discounted as this doesn't represent sound financial planning by potentially having savings that would have a delayed impact in future years, nor does it publicly articulate the financial planning assumptions.
- 6.2 The Council could provide different savings options; this will be considered as part of the budget setting process and discussions and consultation around budget proposals for members to consider at Full Council in February 2024.
- 6.3 The Council could choose to make lower levels of savings and use all reserves. This is not recommended as the Q1 forecast on the revenue budget is showing a £6.3m forecast overspend; this figure is expected to reduce for Q2 due to actions that have taken place and will occur by year end, but using reserves to balance a budgetary gap when the Council is close to the minimum level of reserves is not recommended. The current working assumption is that reserves will *increase* in next year's budget.
- 6.4 The Executive could propose to increase Council Tax above the 5% referendum levels. This has been discounted as the referendum levels have not been confirmed yet for 2024-25 and from previous consultation exercises, this has not had a positive response rate and so would (albeit it from a comparatively small sample) have a likely negative vote response. If this were to happen the Council would incur the cost of the referendum with no additional increase in Council Tax.

7 Conclusion

- 7.1 Following considerations of the budget position for the year ahead, it is proposed to include the savings proposals included within **para 5.20 to 5.25** to form the core part of the budget papers for the 2024-25 with relevant consultation undertaken in advance of the Full Council budget meeting.

8 Appendices

None included

Background Papers:

Local Government finance settlement 2023-24

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

- Delays in implementation could compromise the Council's position
- Considered or reviewed by Scrutiny Commission or associated Committees,
Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: ALL

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