

RISKS AND ASSUMPTIONS FOR BUDGET 2024/25

Finance and Investment Advisory Committee – 11 January 2024

Report of: Deputy Chief Executive and Chief Officer - Finance and Trading

Status: For Consideration

Key Decision: no

Executive Summary: This report sets out the financial risks and assumptions included within the 10-year budget process.

This report supports the Key Aim of: effective management of the Council's resources.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Alan Mitchell, Ext.7483

Adrian Rowbotham Ext. 7153

Recommendation to Finance and Investment Advisory Committee:

Members views are requested on the risks and assumptions included in the attached appendices.

Introduction and Background

- 1 The reports presented as part of the 2024/25 Budget Setting Process have provided information on the key assumptions and risks included within the draft budget proposals. This risk assessment report provides more detail on these assumptions and risks.
- 2 The risk assessment is included at Appendix A. The 10-year budget can be found in the 'Budget 2024/25: Service Dashboards and Service Change Impact Assessments (SCIAs)' report what was presented to the September FIAC meeting.

Key Financial Assumptions

- 3 The financial assumptions currently included in the 10-year budget are as follows but will continue to be reviewed during the budget process:

- Government Support: no Revenue Support Grant or New Homes Bonus in all years.
- Council Tax: 3% in 2024/25 and 2% from 2024/25.
- Business Rates: 'Baseline Funding Level' in 24/25-25/26 then 'Safety Net Threshold' plus 2% per year. Also 'Updated safety net and under indexing compensation' until 25/26 when a Business Rates reset may take place. Business Rates Retention Pool income is included for 24/25 only.
- Interest Receipts: £532,000 for 2024/25 to 2026/27 and then £432,000 for later years.
- Pay Costs: 4.0% for 2024/25 and 2.0% in all later years.
- Non-pay costs: 2.25% in all years.
- Income: 2.5% in all years

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal issues.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030. The decisions recommended in this paper directly impact on this ambition. The impact has been reviewed and there will be an (increase or decrease) on carbon emissions produced in the district as a result of this decision.

Conclusions

The financial assumptions are based on the latest available information, but Members should be aware that these may change. Any changes will be included in later budget reports.

Appendices

Appendix A – Risk Register 2024/25

Background Papers

none

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading