

# Addressing the MTFP 2022-25

# MTFP – October 2021

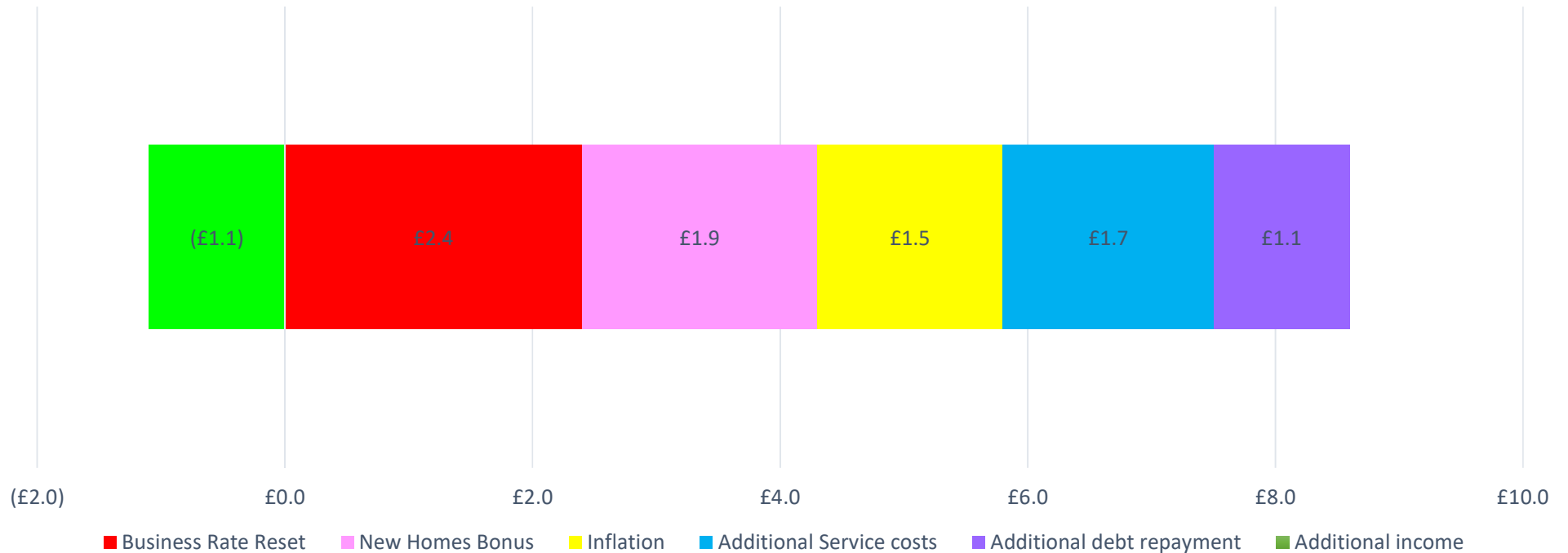


	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
<b>Resources</b>							
Revenue Support Grant	371	602	373	380	388	396	
Business Rates Income	7,861	6,464	6,496	4,441	4,524	4,610	
<b>Covid 19 Support</b>	<b>1,822</b>	<b>760</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Sales, Fees &amp; Charges Compensation</b>	<b>4,343</b>						
CIL income	1,073	1,416	1,090	1,090	1,090	1,090	
New Homes Bonus	2,490	1,941	678	0	0	0	
Council Tax	6,149	6,252	6,393	6,647	6,916	7,180	
<b>Likely resources</b>	<b>24,109</b>	<b>17,435</b>	<b>15,030</b>	<b>12,558</b>	<b>12,918</b>	<b>13,276</b>	
<b>Expenditure</b>							
Service expenditure	14,908	21,149	16,861	15,577	13,187	11,322	
Net Interest	475	551	300	279	305	235	
Forecast Committee movements	3,015	3,033					
RCCO	17	0	0	0	0	0	
Repayment of debt	979	965	2,306	2,015	2,083	2,117	
Additional repayment of debt	(604)	(664)	(1,480)	(1,656)	0	0	
	18,790	25,034	17,987	16,215	15,575	13,674	
<b>Other funding</b>							
Contribution to/ (from) earmarked reserves	6,478	(6,851)	(76)	(570)	(15)	(500)	
Contribution to/ (from) balances - Other	(1,159)	(748)	(503)	(87)	(142)	102	
	5,319	(7,599)	(579)	(657)	(157)	(398)	
<b>Further reductions required</b>			<b>(2,000)</b>	<b>(3,000)</b>	<b>(2,500)</b>		<b>(7,500)</b>
<b>Potential reductions identified</b>			<b>(378)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Net Budget</b>	<b>24,109</b>	<b>17,435</b>	<b>15,030</b>	<b>12,558</b>	<b>12,918</b>	<b>13,276</b>	
							<b>(7,500)</b>
Opening General Fund Balance	5,856	4,697	3,949	3,446	3,359	3,217	
Closing General Fund Balance	4,697	3,949	3,446	3,359	3,217	3,319	
Balance as a percentage of budget	19.5%	22.6%	22.9%	26.7%	24.9%	25.0%	

# UNDERSTANDING THE £7.5m

TOTAL £7.5m

Additional Financial Pressures (£m)



# CHALLENGING PROJECTIONS

- **What is a given**
  - Inflation - £1.5 million
    - 2022-23 - £0.5m
    - 2023-24 - £0.5m
    - 2024-25 - £0.5m
  - Additional Service Pressures - £1.7 million
    - 2022-23 - £0.5m
    - 2023-24 - £0.3m
    - 2024-25 - £0.9m
  - Additional debt repayment - £1.1 million
    - 2022-23 - £0.3m
    - 2023-24 - £0.1m
    - 2024-25 - £0.7m

# CHALLENGING PROJECTIONS

- **What is outside our control – All Government decisions**
  - Business Rates reset - £2.4 million
    - 2022-23 - £0.0m
    - 2023-24 - £2.4m
    - 2024-25 - £0.0m
  - New Homes Bonus - £1.9 million
    - 2022-23 - £1.2m
    - 2023-24 - £0.7m
    - 2024-25 - £0.0m
  - Additional income – (£1.1 million)
    - 2022-23 – (£0.5m)
    - 2023-24 – (£0.4m)
    - 2024-25 – (£0.2m)

# CHALLENGING PROJECTIONS



- **Total Pressures Year by year**

- Pressures - £7.5 million
  - 2022-23 - £2.0m
  - 2023-24 - £3.6m
  - 2024-25 - £1.9m
- Using Reserves
  - 2022-23 – £0.0m
  - 2023-24 – (£0.6m)
  - 2024-25 - £0.0m
- Savings Required – £7.5 million
  - 2022-23 – £2.0m
  - 2023-24 – £3.0m
  - 2024-25 – £2.5m

# INDICATIVE REDUCTIONS

Work stream	Budget area		Work Programme	Indicative contribution £	2022/23 £	2023/24 £	2024/25 £
<b>Service Review</b>							
	Leisure Services to be redesigned to be cost neutral	Director Culture, Tourism & Leisure		1,300,000	-	700,000	600,000
<b>Target Operating Model / Service reductions</b>							
	<b>Organisational Change Programme</b> (Target Operation Model; digitalisation of customer services, channel shift to self service, unified contact centre, customer services rationalisation, business process redesign)	Programme Steering Group	Organisational Change	1,000,000		1,000,000	
	<b>Cessation / reduction of discretionary functions</b>	Programme Steering Group	Organisational Change	1,300,000	1,300,000	-	-
	<b>Statutory, non-discretionary services</b>	Programme Steering Group	Organisational Change	450,000		200,000	250,000
	<b>Enabling and support services</b> ; Strata contract and back office/support services	Programme Steering Group	Organisational Change	400,000		250,000	150,000
	<b>Planning Services - contribution to above</b>	Programme Steering Group	Organisational Change	50,000			50,000
	<b>Changes to management structure and operating model</b>	Programme Steering Group	Organisational Change	150,000			150,000
				<b>3,350,000</b>	<b>1,300,000</b>	<b>1,450,000</b>	<b>600,000</b>
<b>Technical Accounting</b>							
	<b>Self-financing services</b> - review recharges from GF to following services - Building Control, Land Charges, Visit Exeter, Licensing and HRA	Director Finance	Income Generation	100,000	100,000		
<b>Corporate Property</b>							
	<b>Asset disposal and management</b> ; capitalisation of fleet lease (Achieved indicative contribution). Realising capital receipts to fund the fleet lease contract	Director Finance	Corporate Property	500,000	500,000		
	<b>Corporate Property</b> - potential for additional income / review of AIM	Director Finance	Corporate Property	200,000			200,000
				<b>700,000</b>	<b>500,000</b>	<b>-</b>	<b>200,000</b>
<b>Seek External Funding</b>							
	<b>Contribution from ring-fenced discretionary services</b> ; RAMM	Director Culture, Tourism & Leisure	Additional Funding	100,000		100,000	
	<b>Externally funded services</b> Services that lever in income from external parties	Director Culture, Tourism & Leisure	Additional Funding	200,000		100,000	100,000
				<b>300,000</b>	<b>-</b>	<b>200,000</b>	<b>100,000</b>
<b>HR</b>							
	<b>New working patterns</b> T&C's	Programme Steering Group	Organisational Change	250,000	-	250,000	-
<b>Income Generation</b>							
	<b>Commercialisation</b> ; MRF commercialisation work, special collections, trade refuse & recycling and green waste collections	Service Lead - Net Zero, Commercialisation, Skills, Business & City Centre	Income Generation	500,000	100,000	200,000	200,000
	<b>Exeter City Living group activities</b> Return from borrowing	Director Culture, Tourism & Leisure	Income Generation	500,000			500,000
	<b>Car park income</b> - Complete review in conjunction with Net Zero Commitment	Director - Net Zero & City Management	Income Generation	500,000		200,000	300,000
				<b>1,500,000</b>	<b>100,000</b>	<b>400,000</b>	<b>1,000,000</b>
	<b>Total</b>			<b>7,500,000</b>	<b>2,000,000</b>	<b>3,000,000</b>	<b>2,500,000</b>

# TIMELINE

- October 27 - Comprehensive Spending Review
- Early November - Finalise proposed reductions for 2022-23
- November – December - Detailed Budget Setting
- December - Local Government Settlement (hopefully)
- January - Informal Presentation of Budget to Members
- Budget Strategy / One Exeter Programme approval
- Finalise Budget
- February - Budget to Executive / Council