



**Corporate Policy and
Resources**

**Thursday, 19 September
2024**

Subject: High Level MTFP Update and Budget Consultation

Report by:

Director of Corporate Services and Section 151
Officer

Contact Officer:

Emma Foy
Director of Corporate Services and Section 151
Officer
emma.foy@west-lindsey.gov.uk

Purpose / Summary:

To present the high -level Medium Term
Financial Plan savings requirements and
proposals for Budget Consultation and
Committee oversight.

RECOMMENDATION(S):

1. That Members note the current estimated level of savings the Council is required to deliver in the period from 2025-26 to 2027-28.
2. That Members approve the process for Budget Consultation
3. That Officers are tasked with providing options to the next Committee to instigate a Member/Officer working group to work together to identify further income generating opportunities, efficiencies and savings to be brought forward into future years' budgets.

IMPLICATIONS

Legal:

None from this report

Financial : FIN/101/24/B/EVF

The Medium Term Financial Plan funding gaps are set out in Section One of this report

Staffing : None from this report**Equality and Diversity including Human Rights :**

An equality questionnaire will be available to complete at the end of the survey

Data Protection Implications :

The residents and business to receive directed invitations have agreed by registering to receive Council information

Climate Related Risks and Opportunities:

None from this report

Section 17 Crime and Disorder Considerations:

None from this report

Health Implications:

None from this report

Title and Location of any Background Papers used in the preparation of this report :**Risk Assessment :**

One of our key strategic risks remains the delivery of a sustainable budget and financial position.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. Background

- 1.1 West Lindsey District Council has a statutory requirement to set an annual balanced budget and report its five-year forward looking position which it does at the March meeting of Full Council annually.
- 1.2 The budget setting process begins each year in August when initial estimates are compiled of the following year's income and expenditure. Estimating 2025-26 income has been particularly challenging this year against the backdrop of a change in Government, a single year financial settlement last year and ongoing reports from Central Government of shortages in Treasury funding.
- 1.3 Local Government has been continually promised funding reform for many years now and has managed year on year by previous funding settlements being rolled forward for an additional year. There are concerns however, that due to levels of Treasury funding that our settlement this year will not only be a one-year settlement but will also need to take into account availability of a smaller total funding pot across Central Government.
- 1.4 Using this information, Officers have compiled an estimated high level Medium Term Financial Position Table below which sets out the estimated level of savings or additional income which needs to be found to provide a balanced budget. This table shows that a significant level of savings need to be found in particular for 2026-27 when the impact of statutory food waste delivery is required alongside an expected reduction in business rates income due to a potential national reset and/or revaluation.
- 1.5 The current estimated position is shown in the table below:

	2025/26	2026/27	2027/28
Estimated Expenditure Requirement	779,500	1,149,300	1,218,400
Additional Items 2025-26			
Food Waste Collections	52,700	305,300	311,700
CCTV Pilot to continue beyond UKSPF funding	96,800	101,500	104,900
Lincs CC search fees - LCC recharge 28% of income received	13,800	15,400	17,100
Housing Benefits Admin Grant (DWP)	22,300	22,300	22,300
Trinity Arts Centre Business Plan 2024-2027	(7,600)	(15,500)	(27,500)
Funding Grant	0	0	0
Collection Fund Surplus	0	0	0
Business Rates (potential impact of 24/25 surplus)	(320,000)	0	0
Savings Requirement after Council Tax @2.99%	558,500	1,499,300	1,567,900

- 1.6 As can be seen in the table above there is a significant savings requirement needed to balance the 2026/27 budget. Savings of

this level will take time to identify, deliver and embed by the Council and undoubtedly require difficult discussions, decisions and prioritisation. Whilst the use of reserves may provide additional time the overall requirement to reduce our bottom line must not be underestimated especially in a time of rising costs. Section Three of this report identifies the possibility of a Member-Officer working group to identify savings and income generating opportunities to reduce the Council's net expenditure. Members and Officers will only deliver this level of savings by successfully working together

2. Budget Consultation

- 2.1 Each year a consultation is undertaken on the following years' budget prior to it being set. Although there is no legal requirement to undertake this we have a legal requirement under the Local Government Act 1992 section 65 to consult ratepayers who are persons or bodies appearing to be representative of persons subject to non-domestic rates within the district and must be about the authority's proposals for expenditure.
- 2.2 West Lindsey District Council (WLDC) are members of the Consultation Institute and in accordance with best practice, we ensure that all consultations are legal and appropriate processes are in place to lower the risk of a judicial review. Consultation according to the Consultation Institute is the dynamic process of dialogue between individuals or groups, based upon a genuine exchange of views, with the objective of influencing decisions, policies or programmes of action.
- 2.3 Before 1985 there was little consideration given to consultations until a case (R v London Borough of Brent ex parte Gunning). This case sparked the need for change in the process of consultations when Stephen Sedley QC proposed a set of principles that were then adopted by the presiding judge. These principles, known as Gunning, were later confirmed by the Court of Appeal in 2001 (Coughlan case) and are now applicable to all public consultations that take place in the UK. These outline the principles which all consultations must abide by and are:
 - **When proposals are still at a formative stage**
Public bodies need to have an open mind during a consultation and not already made the decision, but have some ideas about the proposals.
 - **Sufficient reasons for proposals to permit 'intelligent consideration'**
People involved in the consultation need to have enough information to make an intelligent choice and input in the process.
 - **Adequate time for consideration and response**
Timing is crucial – is it an appropriate time and environment, was enough time given for people to make an informed decision and then provide that feedback, and is there enough time to analyse those results and make the final decision?

- **Must be conscientiously taken into account**
Think about how to prove decision-makers have taken consultation responses into account.

The risk of not following these principles could result in a Judicial Review.

- 2.4 To undertake this work it is proposed that multiple routes are taken to consult with our stakeholders.
- 2.5 The objectives of the engagement are to:
 - Raise awareness of the financial challenges.
 - Raise awareness of the diversity of services the Council provides.
 - Identify what areas of the Corporate Plan and the Business Plan should be prioritised.
- 2.6 The stakeholders which we would consult with on this subject are business rates payers, residents and citizens panel members.
- 2.7 To ensure we are as inclusive as possible and allow as many residents as possible to take part we run a number of different routes to take part. These routes include events, online and paper survey and written submissions. The process will take place between the 30 September and 10th December 2024.
 - 2.7.1 Online and paper survey –To ensure there are as many views on the consultation as possible we would have an online and a matching paper survey which would be available to those on the citizen panel and any other resident that wishes to take part through requesting a survey, completing a survey on our website or through an invite from the Citizen Panel.
 - 2.7.2 Events –Markets, Meetings and attendance at other events.
 - 2.7.3 Written Submissions – Although written submissions are not advertised as being accepted we would accept them. They are not advertised due to the amount of time analysis of these submissions take compared to other routes.
- 2.8 The communications strategy will include;
 - 2.8.1 Information Leaflet – a short booklet with the aim of which is to give context and challenges for budget setting, and to promote the council and what it does for our customers (residents/businesses). It will be published on social media and the Council's website.
 - 2.8.2 Social Media – we would advertise the consultation on both Twitter and Facebook to try to spread the chance for residents to take part as wide as possible.
 - 2.8.3 Citizens' Panel and Registered businesses will be contacted and asked to participate
 - 2.8.4 Parish/Town Council and Voluntary Groups e-brief

2.8.5 Subscribed Residents Newsletter – e-brief

2.8.6 Public Events

2.8.7 Press release

2.8.8 Minerva

3 Future Governance and Working Together

3.1 As detailed at 1.6, it is essential that Members and Officers work closely together to identify reductions to net expenditure together. It is suggested that a cross-party working group is set up from this committee to work with officers to identify and explore sustainable and cashable savings that can be tested and built into future budgets.

3.2 If Members wish for this option to be explored Terms of Reference could be brought to the next meeting and nominations of Members identified to attend future meetings of the working group.