

WEST DEVON BOROUGH COUNCIL

BUDGET PRESSURES

| | BASE 2023/24 £ | Yr 1 2024/25 £ | Yr 2 2025/26 £ | Yr 3 2026/27 £ |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Waste collection, recycling and cleansing contract inflation (estimate) - assume 7.5% 2023/24 onwards (23/24 also includes some extra inflation provision from 22/23) | 345,000 | 245,000 | 245,000 | 245,000 |
| Waste collection, recycling and cleansing contract - Council 19 July 2022 | 400,000 | 0 | 0 | 0 |
| Waste collection, recycling and cleansing - additional properties | 50,000 | 100,000 | 100,000 | 100,000 |
| Triennial Pension revaluation (increase in Pension Employer primary rate contributions) | 50,000 | 0 | 0 | 75,000 |
| Inflation on goods and services | 150,000 | 150,000 | 150,000 | 150,000 |
| Salaries - provision for pay award at 4% (£216,000) for 2024/25 (total pay of £5.4m), reducing to 3% in 25/26 and 26/27 | 0 | 216,000 | 170,000 | 170,000 |
| Salaries - 22/23 award of £1,925 per Scale point has been modelled (an extra £210,000 on top of the 2% provided for) | 360,000 | | | |
| Pay award 2023-24 - Initial figures of £1,925 per Scale Point or a 3.88% increase for Scale Point 44 upwards. (£147,000 is the amount over the current budget provision). This will need to be built into the Base Budget in 2024-25. | | 147,000 | | |
| Increase in salaries - increments and pay and grading | 175,000 | 75,000 | 75,000 | 75,000 |
| IT inflationary cost pressures - increases in prices | 0 | 110,000 | 0 | 0 |
| Flooding - recent events have highlighted the need to add a cost pressure for dealing with the impacts of climate change, such as flooding, on our communities | | 50,000 | | |
| Extra insurance costs | | 30,000 | | |
| Reduction in car parking income - Income targets were reduced in 2023/24 - There is a report to the Hub Committee in November 2023 on fees and charges for car parking - This is shown in the savings section further down. | 150,000 | 0 | 0 | 0 |
| Increase in external audit fees | 60,000 | 30,000 | 0 | 0 |
| Housing Delivery Team - Hub Committee 7th June 2022 | 29,800 | 0 | 0 | 0 |
| Head of Revenues and Benefits - Hub Committee 12th April 2022 | 30,000 | 0 | 0 | 0 |
| The Planning Improvement Plan, Hub Committee 7 June 2022, noted that the cost of the restructure, £33K per annum, will be funded for the first three years from the additional planning income held in the planning earmarked reserve. | 33,000 | 0 | 0 | 0 |
| A Plan for West Devon - Council 28.9.21 - £122,000 cost pressure for 22/23 and £168,000 for 2023/24 (Base Budget of £168,000 in 2024/25 onwards) | 46,000 | 0 | 0 | 0 |
| Reduction in Housing Benefit administration subsidy | 10,000 | 10,000 | 0 | 0 |
| National Insurance and National Living Wage (NLW increases) | 40,000 | 40,000 | 40,000 | 40,000 |
| TOTAL IDENTIFIED BUDGET PRESSURES | 1,928,800 | 1,203,000 | 780,000 | 855,000 |

WEST DEVON BOROUGH COUNCIL

Contribution to Earmarked Reserves
(This line shows the annual contributions into the Reserve)

| | BASE 2023/24 £ | Yr 1 2024/25 £ | Yr2 2025/26 £ | Yr 3 2026/27 £ |
|--|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Contribution to IT Development Reserve (£50K per annum) | 50,000 | 50,000 | 50,000 | 50,000 |
| Contribution to Planning Reserve (£25K per annum) | 25,000 | 25,000 | 25,000 | 25,000 |
| Contribution to Elections Reserve (20K per annum) | 20,000 | 20,000 | 20,000 | 20,000 |
| Contribution to a Joint Local Plan Earmarked Reserve - to commence the JLP review | 0 | 50,000 | 50,000 | 50,000 |
| Contribution from the Planning Reserve for the cost of the restructure within the planning service - Hub Committee 7 June 2022 - to be funded for the first three years from the additional planning income held in the planning earmarked reserve | (33,000) | (33,000) | (33,000) | 0 |
| Contribution from Business Rates Retention Reserve to smooth the volatility in business rates income from the baseline reset | (150,000) | (150,000) | (150,000) | (150,000) |
| Contribution from Strategic Change Earmarked Reserve | (32,567) | 0 | 0 | 0 |
| Contribution to Vehicles Replacement Reserve (£50K per annum) - An increase to £350,000 per annum per year has been built in as a cost pressure. An options report will be brought to Members in early 2024. | 50,000 | 350,000 | 350,000 | 350,000 |
| Contribution to Joint Local Plan Earmarked Reserve (staffing costs) | 25,000 | 25,000 | 25,000 | 25,000 |
| Total Contribution to/ (from) Earmarked Reserves | (45,567) | 337,000 | 337,000 | 370,000 |

SAVINGS AND INCOME GENERATION IDENTIFIED

| | BASE 2023/24 £ | Yr 1 2024/25 £ | Yr 2 2025/26 £ | Yr 3 2026/27 £ |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Income from Investment properties (£350,000 is in the Base Budget for 2023/24) - periodic upwards rental reviews on investment properties | 50,000 | 0 | 0 | 0 |
| Management fee income from external contracts such as leisure - Council 15 February 2022 | 45,500 | 0 | 0 | 200,000 |
| IT FIT Project - software savings | 10,000 | 0 | 0 | 0 |
| Establishment savings (salary savings) gained from IT and digital communications | 50,000 | 0 | 0 | 0 |
| Extra recycling income - this income has already been achieved in 2021-22 (Base budget of £515,000 in 2023-24) | 190,000 | 0 | 0 | 0 |
| Extra trade waste income (Base budget of £45,000 in 2023-24) | 30,000 | 0 | 0 | 0 |
| Extra treasury management income to reflect increases in the Bank Base rate (Base Budget of £400,000 in 2023-24) | 375,000 | 350,000 | (150,000) | 0 |
| Car parking income (Hub Committee report 21st November 2023 - inflationary increases since March 2021) | 0 | 150,000 | 0 | 0 |
| Extra garden waste income (Base budget of £305,000 in 2023-24) | 60,000 | 25,000 | 0 | 0 |
| Savings on staff and Member travel and expenses | 30,000 | 0 | 0 | 0 |
| Housing Benefit overpayments | 40,000 | 0 | 0 | 0 |
| Additional Employments estates income (Base budget of £427,000 in 2023-24) | 50,000 | 0 | 0 | 0 |
| Funding from Homelessness prevention government grant (this funds housing posts - funding to be reflected within the base budget) | 180,000 | 0 | 0 | 0 |
| TOTAL SAVINGS AND INCOME GENERATION | 1,110,500 | 525,000 | (150,000) | 200,000 |

Memorandum note on Planning Fee Income

The Government has confirmed that a 35% increase for major applications and 25% for all other applications is anticipated to apply from 1 April 2024. This is expected to generate around £60,000 to £70,000 of additional planning income. In 2022-23, the Council experienced a shortfall in planning income of £185,000 (39%) against the budgeted income target of £473,000. Therefore no additional income has been built into the base budget for 2024/25.

Memorandum on 'A Plan for West Devon' cost pressure

There is currently a £168,000 base budget for the 'Plan for West Devon' corporate strategy. This was agreed at Council on 28 September 2021. This budget has not been taken out of the base budget in the MTFs as it is assumed that a similar level of investment will be needed for the new corporate strategy.

| | BASE 2023/24 £ | Yr 1 2024/25 £ | Yr 2 2025/26 £ | Yr 3 2026/27 £ |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Second Homes 200% council tax - Projected Income and Expenditure | | | | |
| Income: Discretion to charge up to an extra 100% extra council tax on Second Homes (timescale is that legislation is likely to be introduced for 25-26). There was a separate report on the Council agenda of 21 February 2023 regarding this. This could generate further council tax income (WDBC share) of £157,000 from 2025/26 onwards. | | 0 | (157,000) | (157,000) |
| Expenditure: The Council is experiencing additional temporary accommodation costs This has been identified in the latest Budget Monitoring report (19.9.23) as being an on-going cost pressure. Significant increases are anticipated in the expenditure on temporary accommodation over and above what is claimable back through DWP (Department for Work and Pensions) subsidy. This is reflective of the national picture. | | 100,000 | 100,000 | 100,000 |