



2024/25 Budget Consultation: South Derbyshire Partnership Board

13 February 2024


How we set the budget

- Statutory requirement to set a balanced budget
- Assess changes we need to make based on future plans and expected changes
- Develop Draft Budget
- Undertake consultation and feed comments back to members as part of approval of final budget
 - Finance and Management Committee 15/02/2024
 - Council 28/02/2024

Consultation

- Duty to consult representatives of non-domestic ratepayers before setting the budget - Local Government Finance Act 1992:
 - Written to business representative groups
 - SDP 13 February 2024
- General duty to ‘inform, consult and involve’ representatives of local people when exercising their functions - Localism Act 2011:
 - Online consultation 15 December 2023 – 26 January 2024
 - Written to Parish Councils
 - Area Forums (conclude 21 February 2024)
 - SDP 13 February 2024

The General Fund

- Runs everything except Council Housing
 - Cost pressures £2.4 million:
 - Inflation on contracts
 - Inflation on utilities
 - Pay award
 - Service pressures for household waste and recycling due to growth in district
 - Expect to spend £17.5 million
 - Receive £17.63 million in funding
 - Budget gap of £227,000, met through reserves
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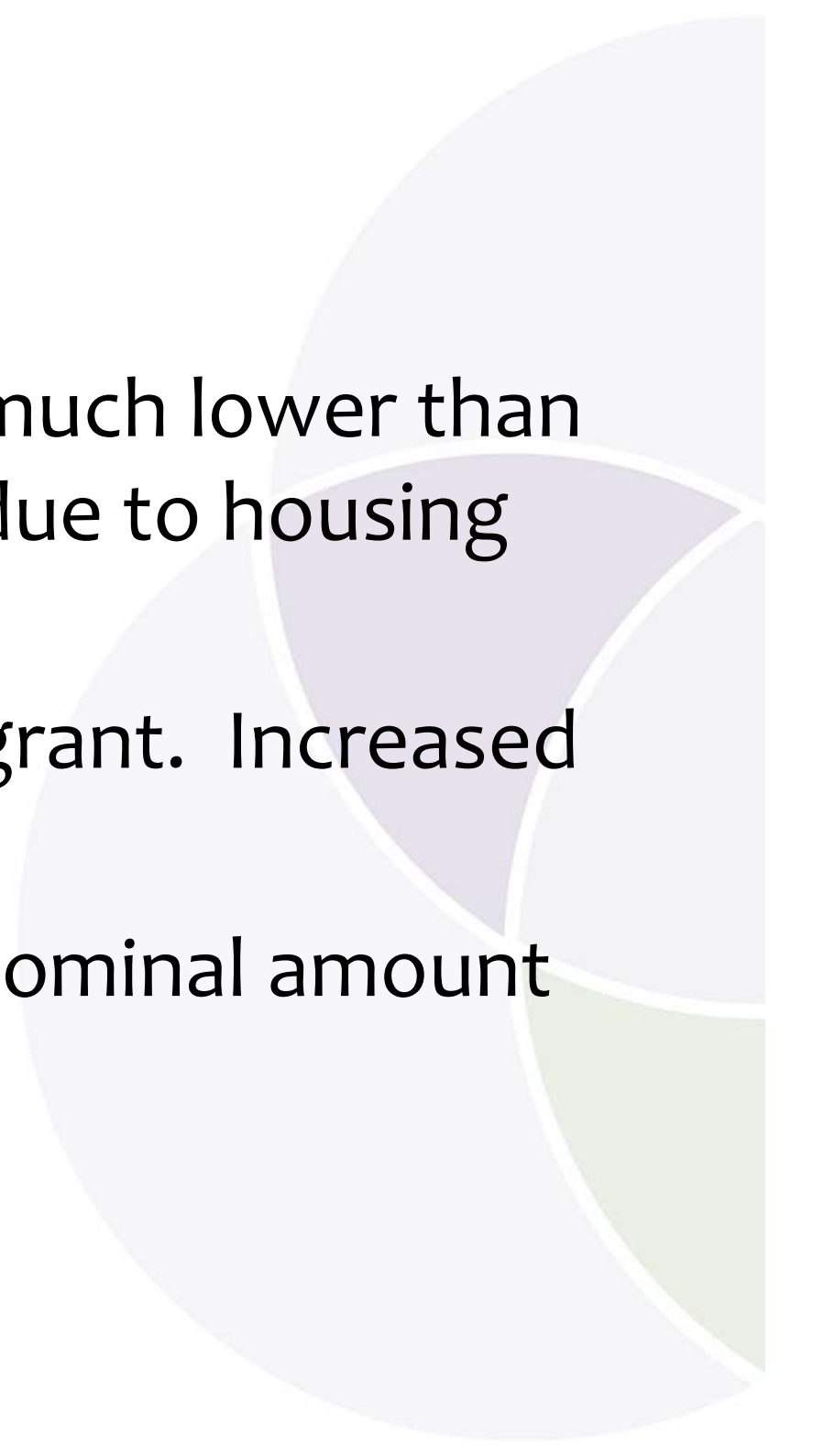
Council Tax

- Proportion of council funding is through Council Tax
- SDDC is the “Billing Authority”
- Collect all council tax, retain 9%
- Increase of 2.99% for 2024/25 = £5.22
- Brings in an extra £200,000
- Have also seen stable growth again due to new housing

Business Rates

- Determined by VoA who set rateable value for a business premises
- Varied annually by central government via the “Multiplier” – usually lined with inflation
- 2024/25:
 - Small business rates multiplier – frozen at 49.9p
 - Standard – increased by 6.7% 51.2p to 54.6p
 - Retail, Hospitality and Leisure Business Rates Relief Scheme extended – 75% relief

Other funding

- New Homes Bonus – now much lower than pre 2021, but still buoyant due to housing growth
 - Funding Guarantee – new grant. Increased from previous year.
 - Revenue Support Grant – nominal amount
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Future Local Government Funding reform

- Three major reviews for local government previously being considered postponed
- Central Government have said they're committed to reviewing local government funding in next parliament
- Could reduce funding for SDDC

Financial Sustainability

- Much media attention around the financial sustainability of councils
- SDDC remains in a positive and stable position
- Budget gaps predicted in future years – largely as a result of assumptions around funding reform
- Medium Term Financial Strategy due to be approved in April – the plan for dealing with budget gaps

The Housing Revenue Account

- Council Housing
- Costs will rise dramatically
- Expect a budget gap of £1.2 million
- Rent increase of 7.7% in line with central government social rent policy. This takes average rent from £87.30 to £94.02 per week, an extra £6.72 per week
- This generates an additional £1.1 million which will be invested back into housing services

Capital Programme

- £9.8 million investment 2024/25:
 - £2.25 million Fleet Replacement
 - Swadlincote Events Space / Levelling Up Fund – total of £1.7 million (1.1 million central government funding)
 - £280,000 Play Area Refurbishment Programme (£1 million over 5 years)
 - £100,000 Parks and Green Space Infrastructure Programme (£360,000 over 4 years)
 - £120,000 Cemetery Infrastructure Replacement (£300,000 over 3 years)

Your feedback

- Please provide me with any feedback you wish to be considered alongside the budget as it is considered for approval:
 - Finance and Management Committee 15 February 2024
 - Council, 28 February 2024