

GENERAL FUND MEDIUM TERM FINANCIAL PLAN 2022/23 - 2025/26

	Ref.	2022/2023	2023/2024	2024/2025	2025/2026	Total	
		Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Change from 2024/2025 Base		
		£000	£000	£000	£000	£000	Changes from 2022/23 MTFP
Anticipated Budget Variations							
Ongoing Covid19 impact - costs (scaled back from £126k in 2021/22)	Note A	0	-20	0	-106	-126	Delay in reduction of staffing budgets for Revenues due to cost of living service impacts & update to performance of Leisure Centres.
Ongoing Covid19 impact - income (scaled back from £2,651k in 2021/22)	Note A	-998	-551	-515	-475	-2,539	Reprofiled some income returning based on performance in the current year
Covid-19 Income Claim (none expected from 2022/23 onwards)		460				460	
Covid-19 LA grant (none expected from 2022/23 onwards)		457				457	
Inflation and contractual increases		959	2,287	1,138	671	5,055	Updated to reflect latest inflationary estimates - see Annexe 2 table 2 - rates ranging between 8.6 and 11%
NI impact - new social care levy		146	-146			0	1.25% NI change reversed from November 2022
Services Grant - one-off		-138	138			0	
Fair Funding Review - forecast impact on Waverley's retained business rates				700	700	1,400	The Fair Funding Review is delayed at least one further year.
One off capital receipts funding for Business Transformation team		220				220	
Borough Elections Reserve 2020/21 deferred contribution			30	-30		0	
Contingency for target achievement - removed in 2022/23						-111	
Unavoidable Budget Adjustments	Note B	511	0	0	0	511	
Budget Growth Requests	Note C	883	-429	0	-40	414	
March 2020 Budget challenge (£194k target in 2021/22, of which £120k was one-year only)	Note D	121				121	
Lower Tier Service Grant from government		42	89			131	
New Homes Bonus from government		-636	1,613			977	
Covid-19 impact provision - contingency removed from base budget in 2022/23		-1,000				-1,000	
Use of reserves for covid-19 impact provision - contingency removed from base budget in 2022/23		1,000				1,000	
SCC - off street parking & Surrey verges			-25			-25	SCC has indicated wish to return these services - Waverley currently receives £10k for the parking permit work and funds the increased quality of the Surrey Verges work to the cost of £35k
Homelessness Grant			?	?	?	0	Risk of homelessness grant reductions - unknown value but consultation indicated reduction value between £289k and £20k - there will be transitional arrangements and services will be reviewed to mitigate impact. Current grant is £603k
Audit fee increase from the PSAA			?				PSAA have indicated an average 150% increase in audit fees. Current fee is £45k.
Triennial Pension review			?				Currently expect rates to go up from 17.2% - 20% but will have impact on backfunding to mitigate these additional costs.
Leisure Centre Energy Cost impact			?				High energy costs are impacting the leisure contractor, Places, and are not feasible for them to cover long term without support.
BID additional levy costs			?				Depends on outcome of BID ballots in Cranleigh, Godalming & Farnham. Maximum cost will be £44k.
Council tax collection fund adjustments including tax base changes, surplus/deficits etc.		-227	-50	-50	-50	-377	
Budget Shortfall		1,689	2,936	1,243	700	6,568	
		From 2022/23 Base		2,936	4,179	4,879	
		Total over MTFP period		2,936	7,115	11,994	
Measures							
Council tax increase - £5 at band D in 2022/23, 1.99% in future years		-282	-220	-220	-225	-947	
Treasury management interest, arising from revised capital strategy		-115	-1,040	200	200	-755	Uplift due to increased Bank of England base rates.
Car Parking Fees & Charges review - approved by Council in September 2021		-730	-220	-220		-1,170	
Head of Service Cost Review recurring savings identified	Note E	-23	-12			-35	
Commercial Strategy Savings	Note F	-128	-211	-74	-19	-432	Included inflationary forecasts on applicable fees & charges
Business Transformation Savings	Note G	-252	-92	-134		-478	Removed further savings in Office Review project due to increasing office costs
Asset Management Income	Note H	-10	-135	-315	-100	-560	Reprofile of incomes to latest known information
Collaboration Project Savings		-150	-200	-200	-150	-700	Savings are being delivered through JMT restructure as planned.
Ongoing base budget reductions		-1,690	-2,130	-963	-294	-5,077	
		From 2022/23 Base		-2,130	-3,093	-3,387	
		Total over MTFP period		0	-5,223	-8,610	
Budget Shortfall: recurrent deficit							
				280	406		
		Total over MTFP period		0	806	3,384	

Note - figures showing a minus sign indicate a favourable change from previous years budget

Estimated ongoing Covid-19 impact on pre-pandemic income and cost budgets

	2022/2023	2023/2024	2024/2025	2025/26	Total	
	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Change from 2024/2025 Base		
	£000	£000	£000	£000	£000	Changes from 2022/23 MTFP
Income						
Planning Income Pressure	-250				-250	
Leisure Centres	-395	-30	0		-425	Assumes recovery to contracted management fee but no profit share assumed will be achieved. New contract will be in place from July 2023.
Car Parks General	-265	-425	-450	-450	-1,590	Reprofiled income returning due due to expectations of future return of income and cost of living impacts.
Borough Hall	-25				-25	
Building Control		-46			-46	
Memorial Hall	-38				-38	
Careline		0	-25		-25	Reprofiled income returning due income in 22/23 not returned quickly as originally assumed.
Council Tax and Business Rates debt summons charges	-25	-25	-65		-115	
Green Waste Recycling					0	
Total Income Impact	-998	-526	-540	-450	-2,514	
					0	
Costs					0	
COVID-19 - PPE		-20			-20	
COVID-19 - Additional Staffing Revenues and Housing benefits			0	-106	-106	Delay in reduction of staffing budgets for Revenues due to cost of living service impacts.
Total Cost Impact	0	-20	0	-106	-126	
Current Budget Shortfall	-998	-546	-540	-556	-2,640	

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Unavoidable Budget Adjustments

2022/2023

Change from
2021/2022 Base Notes

£'000

Triennial Pension Review	46	Impact of Surrey Pension Funds review of assumptions
External Audit	15	Increased costs from national widening of audit scope, increased work requirements
Montrose House - income realignment	18	Site is not fully DDA compliant so unable to let part
HR Restructure costs	14	Increased support required through corporate projects and recruitment demand
Textile income - gate fees fallen	22	Material costs are not as high due to macro economic factors
Recycling credit - low gate fees	42	Material costs are not as high due to macro economic factors
Planning Income realignment	250	Unachievable planning income budget, current market demand is mainly through householder improvements, providing a high level of transactions but low value
Individual Electoral Registration grant	10	Removal of Government grant
Cleaning - Farnham Contract	26	Net loss of income from ending Farnham Town Council cleaning contract
Homelessness funding realignment	28	Adjustment to homelessness service cost to ensure grant is applied as per new requirements
Funding of project officer	67	Moving funding of project officer into mainstream revenue budget in line with funding requirements
SERVICE TOTAL		
	538	
Recharges update	-27	Internal staffing recharge update
TOTAL		
	511	

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Summary of Growth items

	2022/2023	2023/2024	2024/2025	2025/26
	Change from	Change from	Change from	Change from
	2021/2022 Base	2022/2023	2023/2024	2024/2025
	£'000	Base	Base	Base
		£'000	£'000	£'000
* GDPR project - data audit	50	-50		
Waste officer - 2 year role to support zero waste strategy		40		-40
ASB Officer - shared with HRA	20			
Car Park annual maintenance	250			
Economic Development	30			
* Boundary Review - systems adjustments	20	-20		
Information Manager	51			
Cyber security network scanning tool	8			
Business Support Resource	25			
Monitoring Officer Support	30			
Bid Funding Officer	50	-50		
* Thriving Communities	49	-49		
* Collaboration Costs	50	-50		
* Increased Revenue contribution to Capital	100	-100		
* Climate Change reserve contribution	100	-100		
* Council Tax Hardship Fund	50	-50		
TOTAL	883	-429	0	-40

* assumed one-off item, subject to New Homes Bonus allocations

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Budget Challenge Savings 2022/23

£'000

Target saving from 2021/22		-194
Commercial	WTS saving - restructure/income	-10
Planning	CPD use apprentice levy	-1
Business Transformation	Zoom licenses - 75% GF proportion	4
Policy & Gov	Your Waverley	-21
Environment	increase in garden waste subscribers	-30
	bottomline - DD system for green waste	8
GF Housing	Changes to community safety staff resource	-18
	Community Development budget	-5
Total Identified Ongoing Saving		-73
Difference		121

An additional savings target of £194,200 was set in the 2020/21 base budget which was achieved through a Head of Service budget challenge in this financial year. A number of these savings were only achievable for a single year, however the items detailed above are permanent changes made to the General Fund Revenue budget.

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Head of Service cost review

	2022/2023	2023/2024
	Change from	Change from
	2021/2022	2022/2023
	Base	Base
	£'000	£'000
Finance		
* Compensatory Grants - reduction	-14	-7
* Council Tax Support Grant - reduction	-9	-5
Total anticipated	-23	-12

* Continuation of previously Council approved tapering down of allocations

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Commercial Strategy Savings					
	2022/2023	2023/2024	2024/2025	2025/26	
	Change from 2021/2022 Base £'000	Change from 2022/2023 Base £'000	Change from 2023/2024 Base £'000	Change from 2024/2025 Base £'000	Changes from 2022/23 MTFP
Fees & Charges - proposed increases by inflation where applicable, not including car park charges	-72	-107	-39	-19	applied inflation as per forecasts for contracts
Farnham Park Car Park Charges		-10			
Memorial Car Park Charges	-10				
SCC verges removal from grounds maintenance contract	-26				
Net Planning Income increase- review of non-statutory Fees conditional on review & economic position	-20	-20			
Careline - new service and equipment offerings		-20			
The Edge - review operating model		-44	-15		Plan to hand The Edge site back to SCC to manage with school as main users from end of leisure contract (June 2023)
Waverley Training Services additional income		-10	-20		
Total anticipated	-128	-211	-74	-19	

Business Transformation Savings

	2022/2023	2023/2024	2024/2025	2025/26	
	Change from	Change from	Change	Change	
	2021/2022	2022/2023	from	from	
	Base	Base	Base	Base	Changes from 2022/23 MTFP
	£	£	£	£	
Customer Services Review	-19	-22	-50		
Staff Travel Review	-104		-44		
Scanning, Printing & Photocopying	-31				
Planning Review - efficiency savings	-50				
Building Control Review - income and efficiency savings	-18				
Office Review - saving in running costs	-30		0		No additional income forecast, wider site for project is ongoing
Enforcement Structure Review		-40	-40		
Digital Transformation		-30			
Total anticipated	-252	-92	-134	0	

Asset Management Additional Income

	2022/2023	2023/2024	2024/2025	2025/2026	
	Change	Change	Change	Change	
	from	from	from	from	
	2021/2022	2022/2023	2023/2024	2024/2025	
	Base	Base	Base	Base	Changes from 2022/23 MTFP
	£'000	£'000	£'000	£'000	
Brightwells income		-50	-50		income from SCC reprofiled to reflect projected opening in summer 2023
Red Cross building	-10				
Pumphouse		-34	-11		9 month rent free period
Wey Court East		-51	-154		Reprofiled for latest forecast including rent free periods
Asset Management Income target			-100	-30	£70k of target delivered by below schemes
Garages					transfer from HRA
69 High Street, Godalming				-70	New commercial lease
Total anticipated	-10	-135	-315	-100	