

GENERAL FUND MEDIUM TERM FINANCIAL PLAN 2022/23 - 2026/27

	Ref.	2023/2024	2024/2025	2025/2026	2026/2027	Total	
		Change from 2022/2023 Base	Change from 2023/2024 Base	Change from 2024/2025 Base	Change from 2025/26 Base		
		£000	£000	£000	£000	£000	
Anticipated Budget Variations							Changes from 2022/23 MTFP
Ongoing Covid19 impact - costs	Note A	-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	Note A	-596	-390	-275		-1,261	Reprofiled some income returning based on performance in the current year
Inflation and contractual increases - 2022/23 impacts		324					
Inflation and contractual increases - provision for uncertain contractual inflation	Note I	2,104	1,378	794	808	5,084	Updated to reflect latest inflationary estimates
One off staff payment - funded by NHB (below)		642	-642			0	
New Homes Bonus (NHB)- no legacy or future years		971	642			1,613	Removal of NHB
NI impact - reversal of social care levy		-105				-105	1.25% NI change reversed from November 2022
Services Grant - one-off		60	78			138	
Lower Tier Service Grant - one off from 2022/23		89				89	
Business Rates - safety net increase		-71				-71	
Revenue Support Grant (RSG), Local Council Tax Support Grant and Family Annexe Grant		-14	113			99	The LCTS and Family Annexe Grant have been rolled into RSG - one year confirm
Funding Guarantee Grant		-1,006	1,006			0	
Fair Funding Review - forecast impact on Waverley's retained business rates				700	700	1,400	The Fair Funding Review is delayed for the next Spending Review.
Borough Elections Reserve 2020/21 deferred contribution		30	-30			0	
Unavoidable Budget Adjustments	Note B	117	51	0	0	168	
Budget Growth Requests	Note C	238	-18	-50	-290	-120	
New Service Savings	Note D	-159	-56	-57		-272	
Head of Service Cost Review recurring savings identified	Note E	-151				-151	
Car Parking Fees & Charges review - approved by Council in September 2021		-255	-170			-425	
SCC - Off-street parking & Surrey verges		10				10	SCC has indicated wish to return these services - Waverley currently receives £10k for the parking permit work, the verges work is broadly cost neutral
Net impact of Homelessness Grant reductions		0	0			0	Homelessness grant reductions - transitional funding arrangements are provided in first two years. Services will be reviewed to mitigate impact longer term. Current grant is £603k, 23/24 £617k, 24/25 £623k. Projected reduction of £277k to £346k.
Leisure Management Contract provision		300	0	-300		0	New contractor will likely need revenue support during first two years for updates to centres, mobilisation costs and uncertainty regarding energy prices in the first year. Value remains unknown until procurement complete.
Council tax collection fund adjustments including tax base changes, surplus/deficits etc.		-294	181	-50	-50	-213	£150k ctax surplus estimate & tax base gain
Budget Shortfall		2,213	2,143	656	1,168	5,902	
		From 2022/23 Base	2,213	4,356	5,012	6,180	
		Total over MTFP period	2,213	6,570	11,582	17,762	
Measures							
Council tax increase - 3%		-336	-354	-243	-249	-1,181	3% for 23/24 and 24/25 then 1.99% for other years
Treasury management interest, arising from revised capital strategy		-1,040	200	200		-640	Uplift due to increased Bank of England base rates.
Commercial Strategy Savings	Note F	-270	-109	-40	-40	-459	Included inflationary forecasts on applicable fees & charges
Business Transformation Savings	Note G	-9	-107			-116	Removed further savings in Office Review project due to increasing office costs
Asset Management Income	Note H	-159	-391	-370		-920	Reprofile of incomes to latest known information
Collaboration Project Savings		-200	-200	-150		-550	Savings are being delivered through JMT restructure as planned.
Reduction in revenue contribution to capital		-200	200			0	Built in £200k contribution to Property Maintenance Fund
Ongoing base budget reductions		-2,214	-761	-603	-289	-3,866	
		From 2022/23 Base	-2,214	-2,975	-3,577	-3,866	
		Total over MTFP period	-2,214	-5,188	-8,766	-12,632	
Budget Shortfall: recurrent deficit		0	1,382	53	879		
		Total over MTFP period	0	1,381	2,816	5,131	
Use of Reserves to mitigate Impact of Fair Funding Review				-700		-700	£700k draw down in 2025/26, £700k draw down in 2026/27 and £400k drawn down in 2027/28 to mitigate initial impact of fair funding review.

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

	2023/2024	2024/2025	2025/26	Total	
	Change from 2022/2023 Base	Change from 2023/2024 Base	Change from 2024/2025 Base		Changes from 2022/23 MTFP
	£000	£000	£000	£000	
Income					
Leisure Centres	-30			-30	Assumes recovery to contracted management fee. New contract will be in place from July 2023.
Car Parks General	-495	-340	-235	-1,070	Reprofiled income returning due to expectations of future return of income and cost of living impacts.
Building Control	-46			-46	Return of income
Careline		-25		-25	Reprofiled income, not returned quickly as originally assumed.
Council Tax and Business Rates debt summons charges	-25	-25	-40	-90	Reprofiled income returning over three years not two.
Total Income Impact	-596	-390	-275	-1,261	
Costs					
COVID-19 - PPE	-20			-20	Reduction as less supplies required
COVID-19 - Additional Staffing Revenues and Housing benefits			-106	-106	Delay in reduction of staffing budgets for Revenues and Housing Benefit administration due to cost of living service impacts.
Total Cost Impact	-20	0	-106	-126	
Total	-616	-390	-381	-1,387	

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Unavoidable Budget Adjustments				
	2023/24	2024/25	2025/26	
	Change from 2022/2023 Base £'000	Change from 2023/2024 Base £'000	Change from 2024/2025 Base £'000	Notes
External Audit	77			PSAA have indicated an average 150% increase in audit fees. Current fee is £51k once allowing for 22/23 inflation adjustment.
Housing Benefit admin grant reduction	37			Government grant reductions
Stovolds waste collection	14			Travellers income
Frensham Pond Car Parking	24			Original target income unachievable
Green Waste recycling	30			Unachievable target in current climate
Legal fee income	47			Income level no longer achievable
Land Charges		35		LLC1 legislation change, grant applicable in 23/24 for transition
Staffing regrades	46			Review of grades of a number of staff members
BID costs	22	22		Depends on outcome of BID ballots in Cranleigh, Godalming & Farnham. Maximum annual cost will be £44k.
IT licenses from capital programme projects	30	29		6 months allowed for 23/24 for items delivered through capital programme
Planning advertising	15			Increased business need as per statutory requirements for planning notices
Correction of Bin purchase funding	50			Accounting correction
Waste Collection - bank holiday additional cost for coronation	35	-35		One year cost for additional bank holiday
SERVICE TOTAL	428	51	0	
Recharges update	-311			Internal staffing recharge update
TOTAL	117	51	0	

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Summary of Growth items

	2023/2024 Change from 2022/2023 Base £'000	2024/2025 Change from 2023/2024 Base £'000	2025/26 Change from 2024/2025 Base £'000	2026/27 Change from 2025/2026 Base £'000	Notes
Cessation of one year budget growth in 2022/23 budget					
GDPR project - data audit	-50				One year project to complete a check on the Councils data to ensure GDPR requirements are met
Boundary Review - systems adjustments	-20				One year budget to enable systems updates following outcomes of Boundary Review
Bid Funding Officer	-50				To provide resource to achieve additional external funding to support revenue and projects and initiatives on an invest to save basis.
Thriving Communities	-49				Fund for one off support to community organisations for projects
Collaboration Costs	-50				HR and committee services resource during implementation phase
Increased Revenue contribution to Capital	-100				To increase General Fund Capital Programme investment as set out in the report
Climate Change reserve contribution	-100				Contribution to provide further pump-prime funding for projects - extended a further year due to funding availability
Council Tax Hardship Fund	-50				To support residents impacted by welfare and economic position
New growth bids					
Waste officer - 2 year role to support zero waste strategy	0	40		-40	Temporary additional resource to ensure Zero Waste Strategy and National Review outcomes
Thriving Communities	28	-28			Fund for one off support to community organisations for projects
IT Service Desk - Additional Resource	19				Additional resource required
Local Plan Review	150	150	-50	-250	£150k in 23/24, £300k in 24/25 and £250k in 25/26 - £700k provided here in total, £150k already in local plan reserve
Farnham Museum Scaffolding	10	-10			1 years scaffolding cost provision
Development Management	330				Proposed increase in staffing budgets - subject to business case approved by full Council
Property Maintenance Fund	170	-170			Increase to support identified maintenance requirements
TOTAL	238	-18	-50	-290	

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New Service Savings

	2023/2024 Change from 2022/2023 Base £'000	2024/2025 Change from 2023/2024 Base £'000	2025/2026 Change from 2024/2025 Base £'000	Notes
Triennial pension review	-61	-56	-57	Impact of Surrey Pension Funds review of assumptions.
Finance systems	-41			Impact of change to merchant systems
Printing	-9			Reduced usage in year
Godalming Museum grant tapering	-7			Final year for 3 year tapering agreement
Small staff savings	-15			Number of small movements
Water contract review	-5			Updated budgets for current water costs
Homeless funding review	-12			Updated funding for grant
Small savings/new income items	-9			Number of small movements
Total anticipated	-159	-56	-57	

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Head of Service cost review

2023/2024

Change from
2022/2023Base
£'000**Finance**

* Compensatory Grants - reduction	-7
* Council Tax Support Grant - reduction	-5
Insurance Contract	-139

Total anticipated

-151

* Continuation of previously Council approved tapering down of allocations

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Commercial Strategy Savings

	2023/2024 Change from 2022/2023 Base £'000	2024/2025 Change from 2023/2024 Base £'000	2025/26 Change from 2024/2025 Base £'000	2026/27 Change from 2025/2026 Base £'000	Changes from 2022/23 MTFP
Fees & Charges - proposed increases by inflation where applicable, not including car park charges	-165	-75	-40	-40	applied inflation as per forecasts for contracts
Farnham Park Car Park Charges	-10				New charging at Farnham Park
Net Planning Income increase- review of non-statutory Fees conditional on review & economic position	-20				
Careline - new service and equipment offerings	-20				
The Edge - review operating model	-45	-14			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	-270	-109	-40	-40	

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Business Transformation Savings

	2023/2024 Change from 2022/2023 Base £	2024/2025 Change from 2023/2024 4 Base £	2025/26 Change from 2024/2025 5 Base £	Changes from 2022/23 MTFP
Customer Services Review		-72		IT savings & further staffing adjustments
Staff Travel Review	-9	-35		Delivery of remainder of review savings
Total anticipated	-9	-107	0	

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Asset Management Additional Income

	2023/2024	2024/2025	2025/2026	
	Change from 2022/2023 Base £'000	Change from 2023/2024 Base £'000	Change from 2024/2025 Base £'000	Changes from 2022/23 MTFP
Brightwells income	-25	-75		income from SCC reprofiled to reflect projected mid 2023/24
Pumphouse	-34	-11		£45k per annum, profiled for 9 month rent free period
Wey Court East		-205		Reprofiled for latest forecast including rent free periods
Fairground Site			-300	
Garages	-100	-100		Transfer from HRA for accountancy correction
69 High Street, Godalming			-70	New commercial lease
Total anticipated	-159	-391	-370	

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Inflation Position Statement

Inflation included in the MTFP

	2023/24	2024/25	2025/26	2026/27	Notes
	5-9%	4%	2%	2%	
	£'000	£'001	£'002	£'003	
Contracts					
Waste inc house number increases	578	317	200	204	March CPI
Grounds Maintenance	112	54	28	29	
Leisure Centres - no allowance, income	0	0	0	0	February CPI
Other Contracts	117	73	38	38	
Utilities	86	59	30	31	Includes Business Rates
Staffing					
Pay increase assumption	1,079	766	398	406	
Increment assumption	95	90	90	90	
Members	37	19	10	10	
	2,104	1,378	794	808	