



2023/24 EMERGING BUDGET & MEDIUM FINANCIAL STRATEGY (work in progress)

**Overview and Scrutiny Committee
Date 8th November 2022**

Recommendation 1

Consider the emerging Medium Term Financial Strategy and to recognise its challenges.

Glossary of Terms

Net Cost of Services are direct costs incurred by the Council in delivering services, less any specific income generated

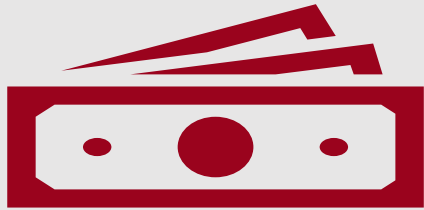
Central costs/income are non service specific items e.g. Pension Fund adjustments, interest income and payments

Contributions to/from Reserves is funding from Earmarked Reserves which have been allocated to fund specific purposes

Sources of External Finance includes funding from Central Government and Non-Domestic Rates Income

Council Tax – local tax on domestic properties which Hart collects on behalf of Hampshire County Council, Hampshire Constabulary, Hampshire Fire and Rescue, plus Town and Parish Councils

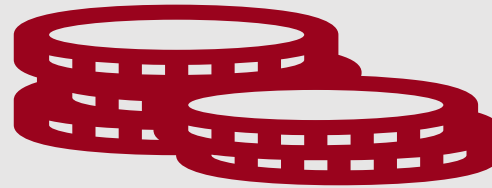
Sources of Income



Collection Fund

Council tax can be raised each year inline with Government guidelines.

Business Rates can be retained up to an agreed safety net.£1.4M



Grants

Ring-fenced – used for a specific purpose

or un ring-fenced

Project grants – via an application

New Burdens – to cover additional work as requested by Government



Income

Generated from:

Sales, Fees and Charges

Commercial ventures

Building Blocks of Hart Finances

Net Cost of
Services

Central Costs

Contributions
to/from
reserves

Sources of
External
Funding

Council Tax

Potential Budget Pressures in 23/24

Contract inflation increases – 10%+

Staff Costs – 10% cost of living increase

Energy Prices doubling

Funding from Central Government declining

Agreed Budget Savings in 23/24

Budget Rebase

5C Contract – fixed investment cost ends

Reduced Leadership Team and Full Tier 2 deliverables

Commercial Income – EA contract

Recap on Budget Rebase

Simplifying

- Removing non-core service budgets

Centralising

- Training, consultancy

Classifying

- Agency, consultants, consultation

Grants

- Forecasting grant awards as contribution to Service Delivery

2023/24
Budget
Pressures/
Savings

£000	2023/24
Contract Inflation	703
Staff Costs	462
Energy Prices	76
Government Funding	561
Budget Rebase	(458)
5C Contract	(633)
Leadership Team	(120)
Commercial Income	(386)
Net Pressures	205

Updated MTFS
at 31.10.22

	2022-23	2023-24	2024-25
	£000	£000	£000
External Finance	3,161	2,600	2,400
Council Tax	7,813	7,940	8,058
Total Funding	10,974	10,540	10,458

	2022-23	2023-24	2024-25
Baseline NCS 2022/23	11,960	10,975	10,951
Budget Adjustments:			
Savings		(458)	
Pay & Price rises		929	494
Central Budgets	2,156	3,544	3,550
Reserves	(2,069)	(2,908)	(2,908)
Income Generation	(1,073)	(1,335)	(1,340)
Total Budget Requirement	10,974	10,745	10,747

(Surplus)/Deficit	0	205	289
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Options for bridging the budget gap

Fees &
Charges

MRP Review

Treasury
Management

Capital spend

Commercial
Income



Feedback & Questions