

Mid Devon District Council - Medium Term Financial Plan

Description	Budget Gap					
	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
v1 Annual Budget Shortfall	1,332,295	604,197	49,238	(122,368)	27,276	1,890,638
v2 Inclusion of 60% of 3R interest charges	(180,000)		60,000	(120,000)	60,000	(180,000)
v2 Inclusion of GP Surgery loan interest	(80,000)	3,000	3,000	3,000	3,000	(68,000)
v2 CURRENT BUDGET GAP	1,072,295	607,197	112,238	(239,368)	90,276	1,642,638
v2 Cumulative Budget Shortfall	1,072,295	1,679,492	1,791,730	1,552,362	1,642,638	

Budget Options to address the MTFP Budget Gap

Previous Options	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
1 Recruitment freeze / 12 month ban on filling any vacancies unless proof that the service would fall below legal minimum level	(75,000)	(50,000)	(50,000)	0	0	(175,000)
2 Leisure centres. Additional income above general inflation increase based upon new capital expenditure	0		(50,000)	0	0	(50,000)
3 Reduce waste collections to encourage more recycling	0	(136,000)	(75,000)	0	0	(211,000)
4 Close Public Toilets - Market Sq Crediton, TTC complete ownership of PC, Down St Mary remodel?	(25,000)	(25,000)	0	0	0	(50,000)
5 Review agency spend and look at why we need to rely on agencies/do things differently	(50,000)	0	0	0	0	(50,000)
6 Review Court Costs - Amount/Process - Also Recovery to pre COVID levels	(38,000)	0	0	0	0	(38,000)
7 Phoenix House – sublet office space; creating hot desk areas combined with WFH becoming the normal working practice	0	(30,000)	(50,000)	0	0	(80,000)
8 Invest in our own hydro scheme	0	0	(49,000)	0	0	(49,000)
9 Move staff out of Old Road, GF purchase building and lease back to HRA until decommissioned	0	(38,000)	0	0	0	(38,000)
10 Reduce grants to charitable organisations, other than those who support our statutory obligations	(13,000)	(13,000)	0	0	0	(26,000)
	(201,000)	(292,000)	(274,000)	0	0	(767,000)

New Options to be review / worked up

Ref Description	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
1 Funding						
a Council Tax Collection Fund gain (one-off)	(200,000)	200,000	0	0	0	0
b Council Tax Recovery/Growth - refine assumptions	£???	£???	£???	£???	£???	0
c Business Rates Collection Fund gain	(100,000)	100,000	0	0	0	0
d Business Rates Recovery/Growth - refine assumptions (particularly retention/reset)	(100,000)	£???	£???	£???	£???	(100,000)
e Future Business Rates Growth - both Costs and Income in relation to: Hitchcotts (30%), J27, J28, EUE, North Western Cullompton Expansion, Hartnells etc	0	(200,000)	(100,000)	(100,000)	(100,000)	(500,000)
f Continuation of Lower Tier Services Grant	£???	£???	£???	£???	£???	0
g Finalisation of New Homes Bonus - possible supplementary payment - new replacement scheme	£???	£???	£???	£???	£???	0
h Implications of Fair Funding Review - possible new grant funding - removal of Negative RSG - Potential exposure to Business Rates rebasing	(180,000)	200,000	100,000	£???	£???	120,000
i1 3 Rivers Returns - increased Interest above that already built in	(140,000)	150,000	(50,000)	10,000	160,000	130,000
i2 3 Rivers Returns - Dividend Payments	0	0	(250,000)	£???	£???	(250,000)
j GP Surgery Loan - Phase 2	0	0	(80,000)	0	0	(80,000)
	(720,000)	450,000	(380,000)	(90,000)	60,000	(680,000)

Ref Description	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
2 Transformation						
a Decarbonisation Savings	(40,000)	£???	£???	£???	£???	(40,000)
b Property Rationalisation - savings on overheads - Play Parks ?? - Amenity Car Parks??	£???	£???	£???	£???	£???	0
c Digital Transformation - Costs and Savings	(30,000)	(60,000)	(30,000)	0	0	(120,000)
d HIF Projects - Base position reflects £18m Grants - Additional pressures i.e. interest etc (hopefully offset by Levelling Up Bid)	£???	£???	£???	£???	£???	0
e Harlequin Valet - receipt from sale of asset (possible £100k one-off - use in-year or next year?)	£???	0	0	0	0	0
f NET Reduced costs as outcome of "hybrid working" - Reduced travel costs - Greater Productivity - Additional IT Costs	£???	£???	£???	£???	£???	0
	(70,000)	(60,000)	(30,000)	0	0	(160,000)

Ref Description	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
3 Other Savings?						
a Review Fees and Charges - Green / Trade Waste - Discretionary elements of Licensing / Planning - Car Park Fees	(50,000)	£???	£???	£???	£???	(50,000)
b Additional implications of CRF and Levelling up Bids	£???	£???	£???	£???	£???	0
c Review HRA Recharges - refine further	(5,000)	£???	£???	£???	£???	(5,000)
d Reduce Corporate Subscriptions / Fees	£???	£???	£???	£???	£???	0
e Commercialise Services	£???	£???	£???	£???	£???	0
f Increase subscriptions to Piper Alarms	£???	£???	£???	£???	£???	0
g Outsource Homelessness provision - reduced admin costs	£???	£???	£???	£???	£???	0
h Refine Inflation Assumptions - Services to "consume their own smoke"	£???	£???	£???	£???	£???	0
	(55,000)	0	0	0	0	(55,000)

Ref Description	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
4 Possible Costs						
a Climate Change Commitment Implications (over and above associated grant funding)	50,000	50,000	50,000	50,000	50,000	250,000
b Cyber Security - Insurance premium - Costs arising from Audit recommendations	20,000	£???	£???	£???	£???	20,000
c CCTV - additional spend?	£???	£???	£???	£???	£???	0
d1 SFS Leasing Contract - Maintenance costs	30,000	30,000	30,000	30,000	30,000	150,000
d2 SFS Leasing Contract - Lease costs	65,000	15,000	15,000	15,000	15,000	125,000
e Additional implications of CRF and Levelling up Bids	£???	£???	£???	£???	£???	0
f Stop sharing Transport Manager post with Exeter City Council	20,000	0	0	0	0	20,000
g Contributions for bedding from Town Councils - ceased	13,000	0	0	0	0	13,000
h Increase in asset maintenance programme	50,000	£???	£???	£???	£???	50,000
i Increased Audit Fees under new procurement framework	20,000	20,000	£???	£???	£???	40,000
j Increased Pension Deficit - Higher Back Funding requirement - Higher contribution rates	0	100,000	0	0	100,000	200,000
k Carlu Close - possible increase in Rental payment - possible reduced utilities	30,000	0	0	0	0	30,000
l1 Updated Capital Programme - GF revenue implications - Interest	54,000	174,000	(3,000)	(101,000)	(98,000)	26,000
l2 Updated Capital Programme - GF revenue implications - Minimum Revenue Provision (MRP)	0	45,000	383,000	107,000	63,000	598,000
m Additional cost implications of Recruitment and Retention pressure	100,000	0	0	0	0	100,000
n Loss of NHB (capital contribution) - Adequate property maintenance	100,000	100,000	100,000	100,000	100,000	500,000
	552,000	534,000	575,000	201,000	260,000	2,122,000

Ref Description	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
5 <u>Longer Term Decisions / Tough Choices</u>						
a Reduce Service Provision - Reduce standard - Cease provision	£???	(150,000)	(200,000)	£???	£???	(350,000)
d Further Commercial Activity	£???	£???	£???	£???	£???	0
	0	(150,000)	(200,000)	0	0	(350,000)
Potential MTFP Position	578,295	1,089,197	(196,762)	(128,368)	410,276	1,752,638
Notes:						
6 <u>Reserves</u>						
a General Fund - 10% above minimum						
b Reallocate NHB - £3m earmarked to support Capital - could be used for Revenue instead						
c Reallocate Other Earmarked Reserves - £15m+ excluding NNDR S31 Grant						
7 <u>Other Issues</u>						
a National changes to waste collection services						
b Ability for planning to be break even						
c No inclusion of National Insurance increase contributions as assumed fully funded						
8 <u>Other Considerations</u>						
a DC Elections May 2023						
b Financial implications from recent petition for referendum on democratic system (c.£300k)						