

BCP Council

Council Meeting 20 February 2024

Item: Agenda Item 11:
Budget 2024/25 and Medium-Term Financial Plan

Conservative Group – Amendment (1) to the 2024/24 Budget

Funding Source:

(a) **To only be implemented if** the specific one-off contingency set aside to manage the risk of delivery or delay in the £41.2m in savings, efficiencies and additional resources is not needed.

£1.177m Use of funds from the one-off contingency budget if not required

(b) Ongoing resources from not disposing of an income generating asset.

£0.160m Net operating income from cancelling sale of Christchurch Bypass Car Park

Application of the **one-off** resources set out as follows.

Amount £000s	Service Area	Description
642	Operations	Town Centre Improvement Fund (in addition to £358k allocated by the substantive budget)
300	Commercial Operations	Air Festival funding for 2025
150	Environment	Play Park Boost
85	Commercial Operations	Defer Kings Park Plant Nursery closure – Subsidy. (<i>budgeted saving</i>)
1,177	Total – One Off Resources	

Application of the **ongoing** resources set out as follows.

Amount £000s	Service Area	Description
153	Housing & Communities	Additional investment in CSAS and Community Safety
7	Commercial Operations	Littledown Paddling Pool (<i>budgeted saving</i>)
160	Total – Ongoing Resources	

s25 Report of the Chief Finance Officer

The below comments should be considered as additional to those summarised in the report in paragraphs 95 to 101 and Appendix 10 the s25 report of the Director of Finance. I have reviewed this proposed amendment and can confirm that it complies with the Council's Financial Regulations in that it enables a balanced budget for 2024/25 still to be delivered. However annual budgets proposals in the past and present have not and do not need to set out what would happen to any contingencies not needed as set out within the budget plan.

This amendment is therefore setting out proposals for a set of circumstances that may or may not materialise. Normal custom and practice is that any use of budgeted contingencies is reflected upon in the formal quarterly budget monitoring reports (Quarter1 September – Quarter2 November – Quarter3 February – Quarter4 June) with the latest position in turn feeding into the following years budget proposals.

If all the £41.2m of savings are delivered in full from 1 April 2024 and without any delay, then the Administration would need to consider how such resources would be applied recognising the position at that time of all the financial risks, challenges and pressures faced by the Council.

The proposal also includes the paradox that it includes reference to budgeted savings which need to be delivered to demonstrate the contingency is not required and would then propose those savings are not implemented. This is particularly salient regarding Kings Park Plant Nursery which will have already been closed and will in all likelihood cost more than the current subsidy to reopen.

As the Director of Finance in my substantive s25 report I have advised Council to continually look at all opportunities to enhance the level of unearmarked reserves and improve the councils overall financial sustainability. This is based on the overall assessment of the numerous risks faced by the council which includes the delivery of the £41.2m of savings, efficiencies, and additional resources in 2024/25 of which only £15.9m (39%) are where services are 100% confident of delivery. In respect of the remaining amount services where only reasonably confident in respect of 38% (£15.7m) and less confident in respect of 23% (£9.6m).

To fund the one-off proposals in amendment (1) in isolation from amendment (2) the amount of the £5.654m one-off contingency not used in mitigation of either delay or non-delivery of the £41.2m savings will need to amount to £1.177m.

The second aspect of the proposed amendment (1) is the cancellation of the Christchurch Bypass Car Park sale. This disposal was approved by Council in September 2023. It also adheres to the Cabinet agreed principles of selling assets which has included income generating assets to fund the transformation programme and supporting the acquisition of assets by community organisations and other public sector bodies such as Town and Parish Councils.

I note that no alternative specific site for disposal has been identified and therefore cannot confirm if the alternative disposal would have consequences less than, equal to or greater than the financial implications of the Bypass Car Park disposal. The substantive budget sets out that there is a £3.8m shortfall in the amount of capital receipts needed to finance the Transformation programme up to the 31 March 2025. This amendment will materially increase that gap further.