

Balancing the Borough's Books

27 October 2022



Borough budgets are difficult to follow. However, a practice adopted this year presents to Council committees an overview of budget plans. Without savings being made in the budgets for 2023/2024 onward the Council is predicted to face a loss of £2.6 million by 2025/2026. [Small compared with Woking Borough Council's Black-Hole of a debt of £2.4 billion - see our report on their debt [HERE](#)]

Thursday 27th October's Licensing Policy and Planning Committee received a report from the Council's Finance Department. The overview and recommendations provided to the Councillors is helpful and highlights are reprinted with some edits below. Full REPORT [HERE](#) (see pages 7 - 10). The recommendation approved by the Committee that "growth items" must be funded from existing budgets means that some items will not grow but will diminish. Cuts might be avoidable if recommended rises in various chargeable services are sufficient to pay.

Report to Councillors:

"The Council is facing a great deal of uncertainty, with sufficient information unlikely to be available to reliably predict the medium-term impact of elevated inflation and the cost-of-living crisis on Council services before the end of 2022. As such, the report to Strategy & Resources Committee modelled 3 scenarios - optimistic, neutral and pessimistic - to forecast the Council's future budget position.

In the neutral scenario, adopted for financial planning purposes, the Council faces a projected budget deficit of **£2.6m by 2025/26**.

Budget targets include:

Excluding any new growth in expenditure, a level of savings of £2.6 million is needed to achieve a balanced budget over the next three year financial planning period to 2025/26.

Recommendations:

That estimates be prepared including the delivery of savings already identified in the Financial Plan for 2023/24 totalling £215,000.

That at least £396,000 additional revenue be generated from an increase of 6% on discretionary fees and charges in 2023/24.

That a provision for pay award is made of £524,000 that would allow for a 3% cost of living increase.

That the homelessness service be set a target to reduce net costs by £243,000 per annum.

That any additional new growth items supported by Policy Committees will need to be fully funded from existing budgets."