

Cabinet Meeting: Monday, 07 October 2024

Question from: Cllr Blagbrough

Question to: Cllr Dacre

Residents are deeply concerned about the prospect of future spending cuts. Item 8 forecasts a funding gap of £15.7 million by 2027/28, the report also reveals that the cost of financing this borrowing could rise from £1.9 million in 25/26 to potentially £10.3 million in 27/28. The Council's continuing investments whilst simultaneously cutting vital services is clearly cause for concern because the report lacks specific details about this borrowing (Item 8, Appendix 1). A list of investment projects is provided, but it does not include the Local Plan, which requires borrowing of at least £35 million. Will Cabinet please present a comprehensive report to full Council that includes the cost-benefit analyses for all these Capital Schemes.

Response

As part of the Strategic Planning stage of the budget setting process, a detailed assessment of options to enable resource allocation prioritisation is being developed.

The intention of this report is to identify known factors that are likely to impact on the demand for resource allocation (costs, demand, investment, policy change, transformation) alongside an assessment of local spending power through the local government finance settlement.

The report provides a prudent view of the revenue impact of the current capital programme (approved as part of the Capital Strategy in March by Council, the detail of which was included in the monitoring report to Cabinet in August. This includes the investment required to enable delivery of the Local Plan). It also highlights the potential revenue impact of future capital investment that has been identified as a priority for the council. For instance, the Council simply cannot function without secure IT and the necessary licences to use operating systems.

By having this included in the forecast, it enables informed decisions to be made in formulating the budget proposal in January, assessing priority spending requirements both revenue and capital against affordability. Difficult decisions are inevitable, and it is necessary to ensure the right level of investment required on the assets necessary for the council to meet its duties and achieve its strategic priorities.

The budget setting reports in January will include the revenue budget proposals and consider the capital strategy and affordable investment pot. Capital schemes agreed will be prioritised in line with the Capital Strategy and Corporate Plan priorities.