

# Budget Consultation

2022/2023



# Introduction

West Lindsey District Council would welcome your views as part of our budget setting process for 2022/23.

Each year the Council must agree a balanced budget. This means that our income must match our expenditure. Over the past 12 years this has been getting more difficult as government funding has fallen significantly by around 38% whilst our costs and service demands continue to increase.

We were already in a challenging position prior to the Covid-19 pandemic, which has seen additional demand for services and significant reductions in our income streams. Some support has been provided from the Government, however this support ceases in June 2022.

Our financial strategy therefore needs to focus on achieving long term financial sustainability as Government funding is withdrawn and our services become funded through Council Tax and Business Rates.

In achieving this we need to reduce expenditure, increase income and generate new income from investment.

This consultation therefore provides an opportunity for you to review and comment on the Council's approach to meeting a balanced budget and your views on changes in Council Tax.

Please take time to read about our proposals and have your say.

Thank you!



Councillor Owen Bierley, Leader of the Council



# Corporate Plan

Our Corporate Plan Priorities are detailed below. With the impact of Covid-19 and ongoing challenges, we would like to understand what you consider to be the priorities for you and your communities.



The full Corporate Plan can be found on our website:

[www.west-lindsey.gov.uk/my-council/how-the-council-works/key-plans-policies-and-strategies/corporate-plan](http://www.west-lindsey.gov.uk/my-council/how-the-council-works/key-plans-policies-and-strategies/corporate-plan)

# Valued Services

The Executive Business Plan details how management focus on priorities, undertake to deliver initiatives and support the achievement of the corporate objectives. The table below outlines these objectives:

Focus	Deliverables
Internal Change (including Governance and Finance)	Progress the 'Together 24' transformational programme, incorporating technology led service reviews
	Council's arms-length companies achieve profitable positions
Economic Growth and Development	Increase the resilience of the Building Control Service
Culture, Heritage and Visitor Economy	Develop a cultural strategy for the District
	Implement Trinity Arts Centre Recovery Plan
	Develop a long-term vision and strategy for our Market(s) function
Sustainability, Environment and Carbon Reduction	Complete new Waste Services Depot, incorporating solar PV panels and electric charging points
	Consider new waste collection regime including arrangements for paper and card

The full Executive Business Plan can be found on our website:

[www.west-lindsey.gov.uk/my-council/contacts-facts-and-figures/council-spending/budget-book](http://www.west-lindsey.gov.uk/my-council/contacts-facts-and-figures/council-spending/budget-book)

We would therefore like to understand how you value these initiatives and other service areas.

# Scale of the Challenge

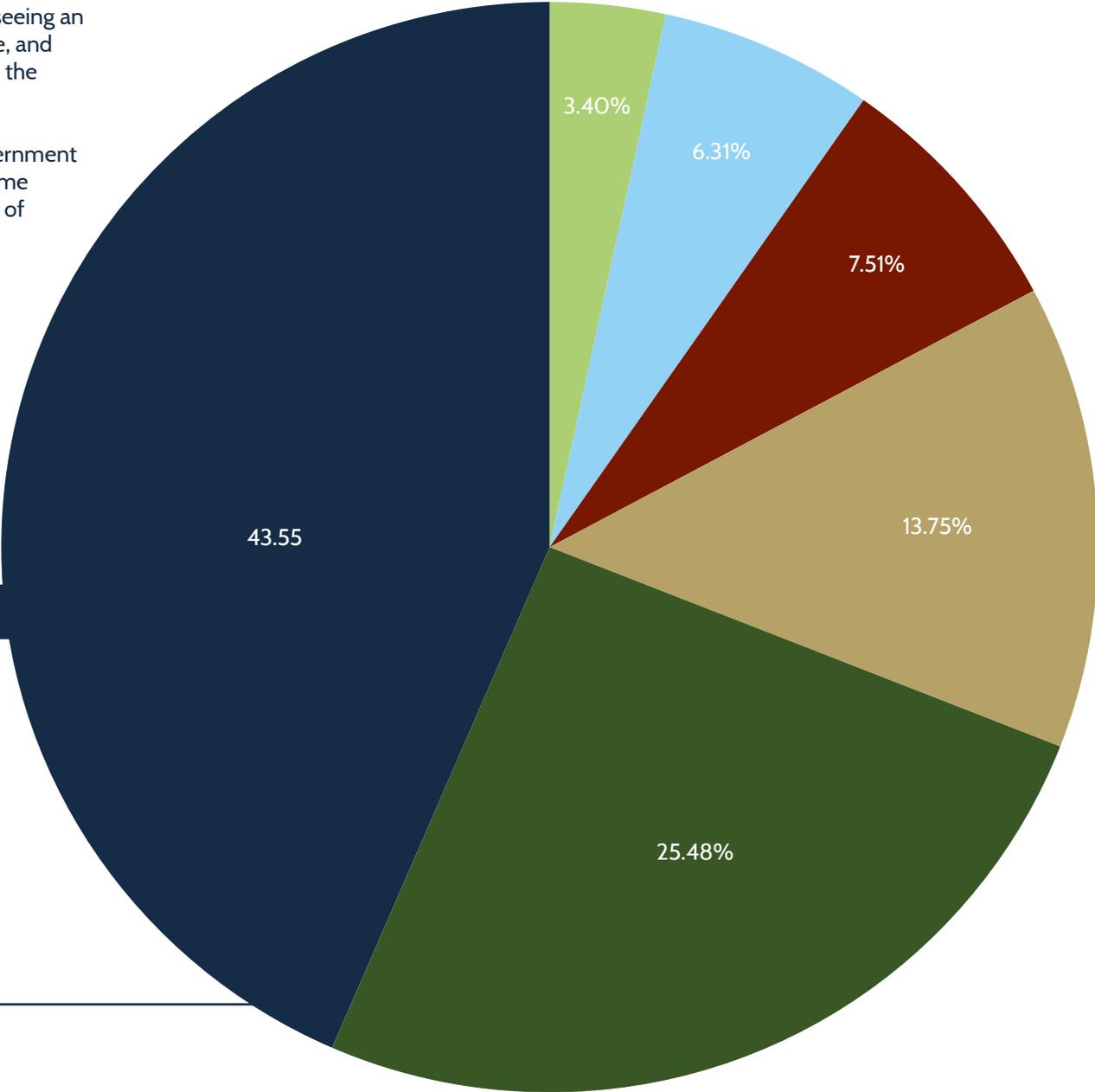
With the Covid-19 pandemic bringing a wide range of uncertainty, we are seeing an increase in demand for services, an increase in costs, a reduction in income, and continued uncertainty in regards to Government funding and the future of the Business Rates system.

The Council's Financial Strategy has aimed to become non-reliant on Government Grant Funding as the Revenue Support Grant ceased in 2019/20. Our income from local taxation (Council Tax and Business Rates excluding implications of Covid) is now 84% of our net budget (46.6% in 2010/11).

This reflects the success of budget reductions through Value for Money initiatives, and increased income from both the Fees and Charges Strategy and commercial strategies.

However, our forward looking forecasts reflect a funding gap of circa £1m for 2022/23.

Each year increased cost pressures need to be met to ensure a balanced budget can be approved.



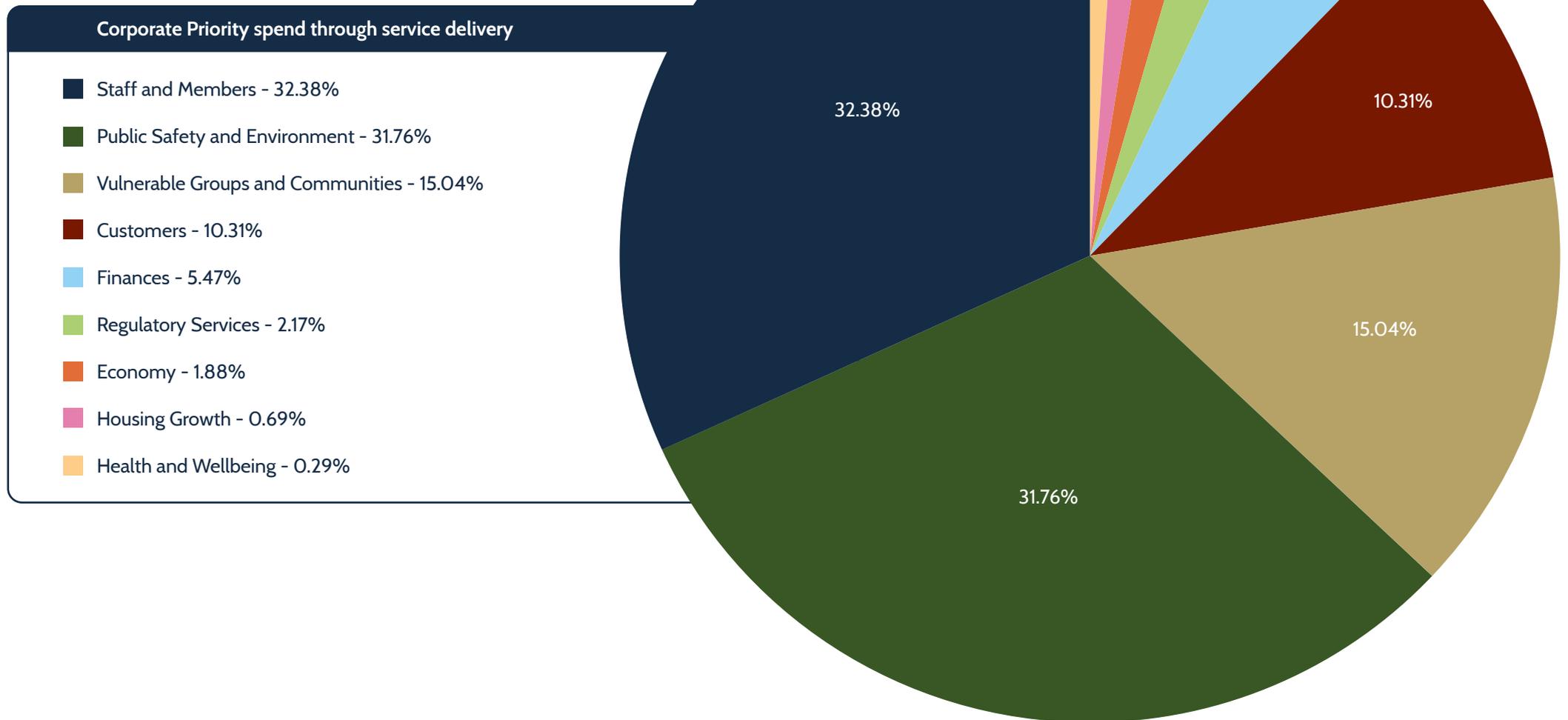
**Where does our funding come from?**

- Council Tax (including Parish Precepts) - 43.55%
- Customer and Client Receipts - 25.48%
- Business Rates - 13.75%
- Investment Income (including Property Fund) - 7.51%
- Government Grants (excluding Housing Benefits) - 6.31%
- Other Grants and Contributions - 3.40%

# How we spend our budget

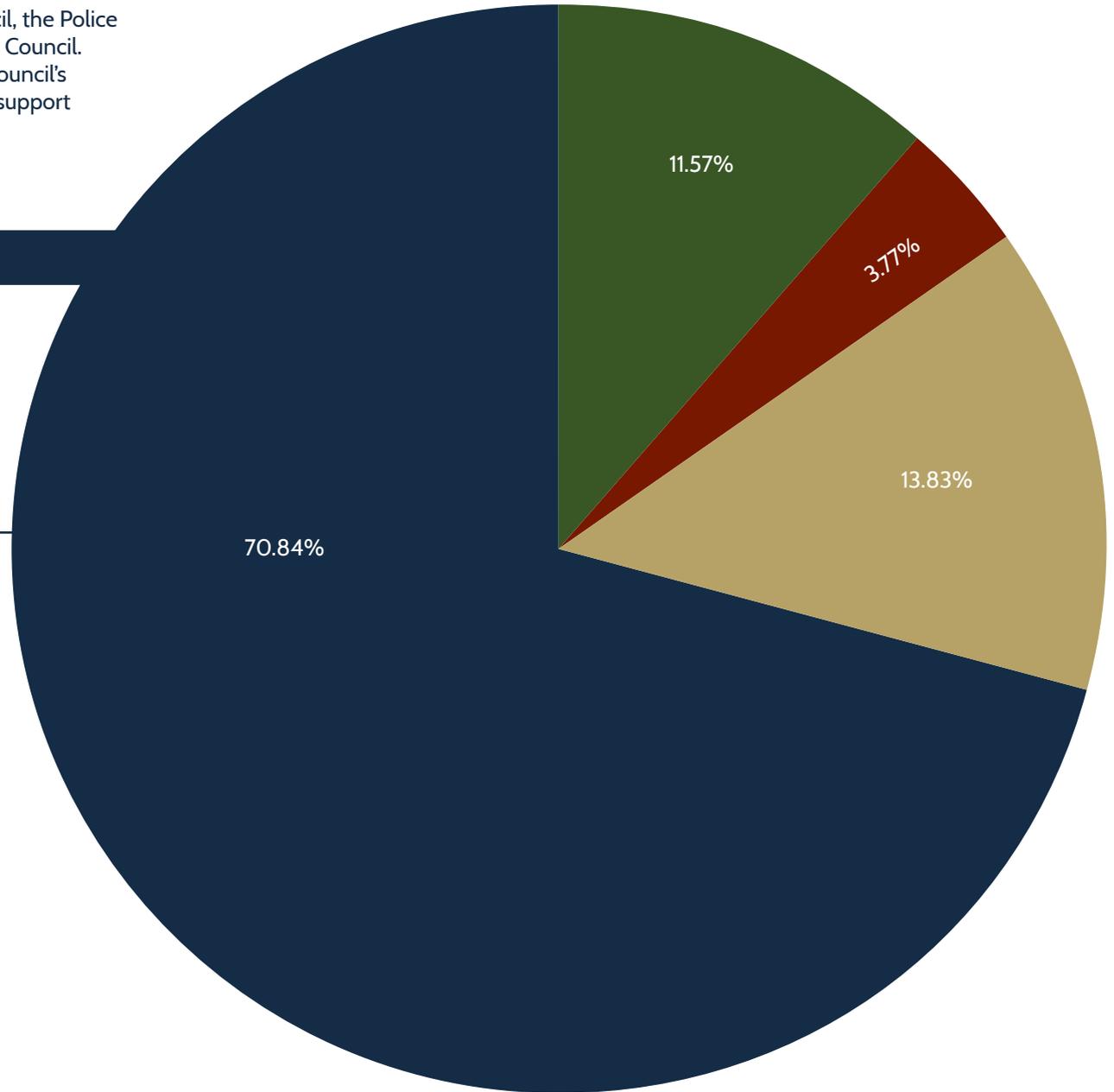
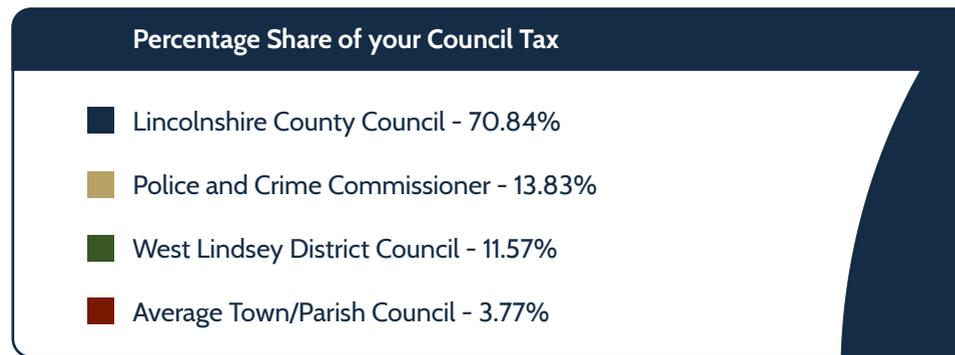
The Council Spends around £37.5m annually on our gross revenue budget, and has a net budget of £13.3m in 2021/22 (being net of service income from fees and charges). This expenditure is projected to increase to £14.8m by 2026/27. We therefore need to understand what our residents and businesses value the most.

Of the net budget we spend around £11m annually providing corporate priorities through service delivery and which are illustrated in this chart:



# Council Tax

We collect Council Tax on behalf of ourselves, Lincolnshire County Council, the Police and Crime Commissioner for Lincolnshire and your local Town and Parish Council. The average Council Tax for 2021/22 is £1,925.78. West Lindsey District Council's share is 11.57% and costs £4.28 per week, generating £6.7m in income in support of funding our services. For every 1% increase this generates a further £67,000 per annum.



The Medium Term Financial Plan assumes an annual increase in Council Tax of 3%. Any reduction to this level will result in an increase in the forecast Funding Gap. In the past 2 years the government have capped Council Tax increases at 2% or £5 (whichever is the greater) to mitigate the impact on taxpayers. It is unclear as yet as to whether this policy will continue.

The cumulative impact of lost revenue from reductions in the 3% projected increase for 2022/23 are shown in the table below:

	2022/23	2023/24	2024/25	2025/26	2026/27
1%	-67,443	-137,431	-210,059	-285,427	-363,638
2%	-134,886	-274,862	-420,117	-570,853	-727,275
3%	-202,329	-412,293	-630,176	-856,280	-1,090,913

# Have Your Say

## Investment:

The Council has a programme of capital investment projects, which will deliver financial, economic and social benefits for our communities and efficiencies for the Council.

We fund these schemes from a number of sources including our own funds, where we are successful from external grant funding and public sector investment, and where affordable and sustainable, from borrowing. Investment in schemes includes the delivery of housing, improvement in assets, climate reduction initiatives, new technology, heritage and regeneration schemes.

However we want your suggestions on where investment could be made to benefit your community and which benefits are most important to you.

## Fees and Charges:

Our Fees and Charges generate some £5m towards the provision of services, with charges made to the beneficiary, rather than the general tax payer. The Fees and Charges Policy aims to recover the total cost of services where these are discretionary, such as green waste collections, car parking etc.

As costs and demand change, pricing must be reviewed to ensure that it meets our strategy principles, and the income covers our costs of running the service. However, we do undertake benchmarking to compare our services and charges to those of similar councils to ensure our pricing is fair.

We have seen a £800k reduction in our fees and charges income for 2020/21 as a consequence of the Covid-19 lockdowns and restrictions. We need to recover our position to pre-covid levels and your views on how this might be achieved are welcome.

## Garden Waste Subscriptions:

Green waste charging was introduced in 2019/20 with the pricing fixed at £35 for 3 years. In line with our Fees and Charges Policy, which are set based on full cost recovery, consideration is now being given to charges in 2022/23. The current price does not meet the costs of service delivery. Your views are sought on these charges.

