

MID SUFFOLK DISTRICT COUNCIL BUDGET 2024/25 and MEDIUM-TERM OUTLOOK

Conservative Group Proposed amendment to the General Fund Budget 2024/25

- The following budget surplus and council tax amounts have been extracted from Table 9 on page 67 of the budget report:-

FINANCIAL YEAR	BUDGET SURPLUS £000's	COUNCIL TAX RAISED £000's	BUDGET SURPLUS as %AGE of COUNCIL TAX
2024/25	5,201	7,222	72.0%
2025/26	2,467	7,679	32.1%
2026/27	3,072	7,991	38.4%
2027/28	<u>2,858</u>	<u>8,314</u>	34.4%
	13,598	31,206	43.6%
Net G14 DIVIDEND	<u>15,000</u>		
TOTALS	28,598	31,206	91.6%

- Over the four years 2024/25 to 2027/28, the council is proposing to collect £13.598million of Council Tax over and above the amounts required to set a balanced budget in each of the four years. That combined surplus equates to 43.6% of the total amount proposed to be precepted.
- In the next financial year, 2024/25, the proposed Band D equivalent council tax charge is £175.03 of which 72.0% is surplus to the council's immediate requirements for that year. The surplus precepted from residents by the council on a Band D dwelling equates to £126.02 per dwelling.
- As set out in the budget report in paragraph 5.17c, the Council is expecting a dividend from its 100%-owned company, Gateway 14 Limited, of £20million during 2024/25. £5million of that is to be set aside for the Skills & Innovation Centre, leaving £15million remaining. This dividend derives from the profit made on the land developed and sold to date (which equates to just under half of the total development potential of the Gateway 14 site). It is therefore conceivable that a further £20million, possibly more, possibly less, will be forthcoming in stages as the rest of the Gateway 14 site is completed. To put the £20million Gateway 14 dividend into context, the total amount of council tax proposed to be precepted for Mid Suffolk District Council's own use in the next council tax year, 2025/26, is £7.222million. The dividend thus equates to 2.77 years of council tax precepted for this authority.

5. The 'net' dividend of £15million, when added to the four years of surplus forecasted for the period 2024/25 to 2027/28, produces a **total surplus of £28.598million**. That surplus to need amount is 91.6% of the the total proposed to be raised in Council Tax from Mid Suffolk residents in that four-year period (£31.206million).
6. Mid Suffolk District Council could meet its statutory obligation to set balanced budgets (no surplus, no deficit) over the four years, 2024/25 to 2027/28, from an **annual precept levy of only £15.81 per Band D equivalent dwelling**. The taxbase of 41,264.65 Band D equivalent dwellings would raise a total of £2,609,000 from that precept levy over these four years. That is £28,597,000 less than the demand on residents set out in this budget and medium-term outlook yet it would still create a break-even position over the four years, which is the definition of a 'balanced' budget.
7. In the light of all the above analysis, there is no financial case and, by extension, no moral case for the Green Party administration at Mid Suffolk District Council to increase council tax by 2.00% in 2024/25 or further assume a need for council tax increases of 2.99% in each of the following three years. The first year's council tax increase produces £143,000 of additional revenue in 2023/24. All the assumed increases generate an additional £1.970million over the four-year period. This is clearly not an insignificant amount but it still only represents 14.5% of the projected £13.598million surpluses. Mid Suffolk would still have £11,628million of accumulated surpluses, plus the Gateway 14 Ltd 'net' £15million dividend, even if council tax was frozen for the next four years.

8. Recommendations

8.a The opposition Conservative group propose, as an amendment to the 2024/25 General Fund budget, that the council tax precept be frozen at the same level as the 2023/24 precept. That amount being £171.59 per Band D equivalent dwelling.

8.b That a cross-party Working Party be established as soon as possible to explore with council officers how both a part of the large annual budget surpluses and part of the remaining Gateway 14 initial dividend could be returned to the residents of Mid Suffolk as council tax rebates during the period 2024/25 to 2027/28.

8.c That the cross-party Working Party work with the Extended Leadership Team during the early part of 2024/25 to explore where modest increases to departmental expenditure budgets could be directed with a goal of creating "best-in-class" core service offerings by those departments.

8.d That the recommendations of the Working Party, arising from the work undertaken from 8b and 8c above, be put to Full Council before the end of this calendar year for debate, endorsement or amendment.

Proposed : Cllr John Whitehead

Seconded : Cllr James Caston