

Financial Commentary: Increase in Car Parking Fees & Charges

Option 3 is expected to generate an additional income per year of £ 500,000
 In pure cash terms this additional income will contribute £ 2,000,000 to reserves over the MTFS.
 Due to a consequential reduction in net expenditure, there will also be a compounded saving due to a lower minimum level of reserves (i.e. 20% of a lower net expenditure)

The Final Budget 2021/22 and Medium-Term Financial Strategy (2022/23 to 2024/25) reported elsewhere on the agenda needs to be adjusted to reflect this additional income. The key changes are shown in the Tables below in respect of the impact on the Consolidated "Updated" Final Budget and Reserves statements.

In respect of Financial Sustainability, the key impacts of increasing Car Parking Charges are:

1. Reduction in Average Annual Budget Gap

Final Budget & MTFS was showing an average budget gap of	£3 m per annum
Updated Final Budget & MTFS is now showing an average budget gap of	£2.5 m per annum
Reduction of:	16.7%
	£0.5 m per annum

2. Reduction in Cumulative Budget Gap

Budget Gap as reported in the Summer of 2020	£16.6 m
Updated Budget Gap	£9.9 m
Reduction of:	40.4%
	£6.7 m

3. Balances at the end of the MTFS

> as per Updated Final Budget & MTFS

General Fund (Unallocated) Reserve	£2.7 m
Earmarked Reserves	£0.1 m
Total Reserves	£2.8 m

> as per Final Budget & MTFS

General Fund (Unallocated) Reserve	£0.8 m
Earmarked Reserves	£0.0 m
Total Reserves	£0.8 m

Therefore, Council has a balanced MTFS - although it will significantly reduce reserves; total reduction in reserves over the 4-years of the MTFS is

All Reserves at April 2021	£10.8 m
All Reserves at March 2025	£2.8 m
Net Reduction in Reserves	74.1%
	£8.0 m

However, the Council is not self-financing as it continue to need to use reserves each year of the MTFS to deliver services. Therefore the BC25 programme needs to continue.

Consolidated "UPDATED" Final Budget 2021/22 & MTFs (2022/23 to 2024/25)	Additional Car Parking Income £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Final Budget: Net Expenditure		13,597	13,522	13,536	14,001
Corporate & Regulatory Services	(500)	(500)	(500)	(500)	(500)
Updated Final Budget: Net Expenditure		13,097	13,022	13,036	13,501
Contributions to/(from) Reserves		0	0	0	0
Reserves Contributions to Support Services		(1,935)	(2,559)	(2,739)	(2,630)
Other Net Reserves Contributions		2,677	(342)	(503)	0
Net Reserve Contributions		742	(2,900)	(3,241)	(2,630)
Budget Requirement		13,839	10,122	9,795	10,871
Total Grant		(7,551)	(3,579)	(2,960)	(3,702)
Council Tax Requirement		6,289	6,543	6,835	7,169

Consolidated "UPDATED" General Fund (Unallocated) Reserve + Budget Surplus/Other Earmarked Reserves	2021/22 £	2022/23 £	2023/24 £	2024/25 £
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General Fund (Unallocated) Reserve				
b/f	2,882	2,620	2,481	2,507
Cont from/(to) Services	(1,935)	(2,559)	(2,739)	(2,630)
Cont from/(to) Budget Surplus Reserve	1,673	2,420	2,765	2,823
c/f	2,620	2,481	2,507	2,700

Earmarked Reserves				
Budget Surplus Reserves				
b/f	0	0	0	0
Cont from/(to) General Fund	(1,673)	(2,420)	(2,765)	(2,823)
Net cont from/(to) Other Earmarked Reserves	1,673	2,420	2,765	2,823
c/f	0	0	0	0

CV19 Internal Recovery Reserves				
b/f	947	1,074	454	0
Cont to/(from) Services	(220)	(620)	(502)	0
Cont to/(from) Other Funding	347	0	0	0
Cont from/(to) BS Reserve	0	0	0	0
Cont to/(from) Earmarked Reserves	0	0	48	0
c/f	1,074	454	0	0

Projects, Risk & Smoothing				
b/f	316	919	617	316
Cont to/(from) Other Funding	1,005	0	0	0
Cont from/(to) BS Reserve	(402)	(302)	(301)	(316)
c/f	919	617	316	0

Capital & Contract				
b/f	403	403	403	903
Cont from/(to) BS Reserve	0	0	500	(784)
c/f	403	403	903	119

Transformation				
b/f	2,000	2,000	2,000	350
Cont from/(to) BS Reserve	0	0	(1,650)	(350)
c/f	2,000	2,000	350	0

Community, Economic & Infrastructure				
b/f	2,411	1,448	1,448	1,123
Cont to/(from) Other Funding	308	0	0	0
Cont from/(to) BS Reserve	(1,271)	0	(325)	(1,123)
c/f	1,448	1,448	1,123	0

Commercial Investment Reserve				
b/f	1,890	3,127	1,287	250
Cont to/(from) Services	(88)	0	0	0
Cont to/(from) Other Funding	1,325	278	0	0
Cont from/(to) BS Reserve	0	(2,118)	(989)	(250)
Cont to/(from) Earmarked Reserves	0	0	(48)	0
c/f	3,127	1,287	250	0