

APPENDIX 2: BUDGET PROPOSALS AND FINANCIAL POSITION

		2024/25 £000	2025/26 £000	2026/27 £000	
	Starting Budget Gap	20,080	30,722	28,066	This position has been carried forward from 2022/23 Budget Setting and reflects all previously approved Budget changes
Resources					
1	Business rates indexation, Council Tax and Business Rates surplus carry forward	(4,800)	(5,100)	(5,100)	Council Business Rates revenue (including compensating Section 31 grant) will be inflated by the September Retail Price index of 6.7% as confirmed in the Autumn Statement. This item also includes the uncommitted surplus within the 2022/23 Collection Fund outturn position reflecting a combination of Council Tax base growth, lower than budgeted downward amendments and lower than budgeted Council Tax Support levels.
2	2023/24 Social Care Grant	(1,900)	(1,900)	(1,900)	2023/24 Social Care Grant to fund additional social care capacity through the Market Sustainability and Improvement Fund
3	2024/25 Social Care Grant	(4,882)	(4,882)	(4,882)	The indicative step up in Social Care Grant available from 2024/25.
3a	2024/25 Additional Social Care Grant (Change to Pre-Budget Report)	(3,231)	0	0	Additional resources announced as part of the Final Settlement announced on 5th Feb 2024
4	New Homes Bonus (Change to Pre-Budget Report)	(4,072)	0	0	Minor variation to the Pre-Budget assumptions. New Homes Bonus confirmed in Provisional Settlement announced on 18th December 2023.
4a	Services Grant (Change to Pre-Budget Report)	2,706	2,706	2,706	National reduction to services grant announced as part of Provisional Settlement on 18th December 2023 and confirmed in the Final Settlement announced on 5th February 2024
Subtotal Resources		(16,179)	(9,176)	(9,176)	
Service & Technical Pressures (and policy growth)					
5	Inflation (Change to Pre-Budget Report)	11,911	4,904	8,442	This reflects the continued high inflation environment affecting the Council's supplies and services expenditure including: care and energy contracts; ongoing impact of the 2023/24 local government pay award, which averages at 6% compared to the original 4% budget provision; an assumed 2024/25 pay offer of 4% compared with the previous 3% budget provision.
6	Children's Social Care	5,286	5,286	5,286	Children's Services has seen a significant increase in the average unit cost of placements for looked after children. This is due to there being a lack of sufficiency in the market to meet the needs of young people in care and is a local, regional and national issue. As part of the Council's intention to sustain the Coventry Family Valued approach children will be supported to live with their families wherever this is safe to do so. Children's Services has also experienced a financial pressure related to workforce, with high levels of cases requiring additional workers and agency staff.
7	Housing	5,850	5,850	5,850	Significant increases in numbers of households requiring temporary accommodation is driving additional spend in this area
8	Revenue & Benefits - Supported Accommodation	1,580	2,580	2,580	This pressure arises from providing accommodation solutions to people with complex needs – the cost of which is only partially reimbursed by the Government through housing benefit
9	SEND Transport & Looked After Children Transport	1,000	1,000	1,000	As is being seen nationally the number of SEND pupils within Coventry has grown. This results in an increase in the number of commissioned special school placements, and consequently more children and young people requiring specialist transportation to school, including transport to schools outside of the city due to local special school provision being full. Alongside this there is a cost pressure in providing necessary transport to Coventry's looked after children.
10	Waste Disposal	854	854	854	Increased cost of the Councils obligation to dispose of domestic waste for an increasing number of households.
Subtotal Service & Technical Pressures		26,481	20,474	24,012	
Technical Savings					
11	Coventry and Warwickshire Business Rates Pool	(2,000)	0	0	The Pool is now expected to continue for a further year within the existing Local Government Finance regime which will enable this income stream to be achieved for a further year.
12	Asset Management Revenue Account	(3,385)	(470)	0	The Asset Management Revenue Account contains a number of elements which are subject to forecasting uncertainty. This proposal anticipates the combined impact of the Council's treasury activity around areas including loan interest and short-term investment income. This indicative position will be finalised once the Council's Capital Programme is approved.

13	Organisational Exit Costs	(1,000)	0	0	The costs of early retirement and redundancy decisions are paid for from an existing revenue budget of £1m. Additional coverage is provided from a reserve balance. It is proposed to reduce the revenue budget to zero for one year and to fund all one-off exit costs from the reserve.
13a	Commercialisation Programme	(1,000)	(500)	(500)	Optimisation of the initiatives delivered through the commercial programme including the Regional Materials Recycling Facility benefits, and other miscellaneous service cost recovery through pricing review.
14	Switch revenue funded highways maintenance spend for alternative grant funding for one year	(1,900)	0	0	Current capital programme schemes within highways are funded from revenue resources. This proposal instead funds this expenditure from grant releasing a temporary revenue saving for one year.
14a	Capital Programme Revenue Funding	(969)	0	0	Current ICT capital programme schemes are funded from revenue resources. This proposal instead funds this expenditure from one-off capital receipts which releases a temporary revenue saving, planned here for one year.
15	Management actions to reduce gap	(11,688)	(13,821)	(14,401)	Service Directors have identified a number of actions and efficiencies to reduce overall budgetary pressure within existing approved policies
Subtotal Technical Savings		(21,942)	(14,791)	(14,901)	
Service Savings					
16	Implement One Coventry Model - Ensure organisation is fit for future purpose	(3,000)	(4,000)	(4,000)	Working with partners to target collective resources to support those people who are most in need; providing the right support, in the right place and at the right time. This approach will focus on prevention and earlier identification of need, by establishing an integrated contact centre and locality based offer. The Council will review how it delivers services to meet community need, co-locating and integrating teams in localities with potential for more Coventry City Council officers and partner services to be based within communities together and including reviewing and rationalising the Council's property where appropriate. ~ Redesign internal services – so the Council are more streamlined, with less bureaucracy for residents and more insight helping the Council to prioritise and offer more service support. ~ Removing internal and external duplication and make most efficient and effective use of internal resources, reducing overlaps through removing vacancies and reviewing contracts. ~ Reviewing the Council's advice provision to target collective capacity and remove overlap, enabling access to information and support at the earliest opportunity.
17	Redesign Council Tax Support Scheme (Change to Pre-Budget Report)	(839)	(839)	(839)	Reduce the maximum discount that eligible households receive against their Council Tax. The current scheme provides a maximum discount for working age adults of 85% of their council tax liability. The proposal is to reduce this maximum to 80%. In real terms, this would result in approximately 16,176 working age households paying on average, an additional £1.45 per week.
18	Charge for collection of garden waste	(1,500)	(1,500)	(1,500)	Introduce charges for collection of garden waste bins (brown lidded bins) at £40 per year per bin with food waste to be disposed of in brown lidded bins and collected fortnightly. Residents can choose to opt out. If residents opt in they would pay the fee annually in advance and receive a sticker for their bin to show they are part of the scheme. If residents decide they do not wish to pay for garden waste collection they will be able to return existing bins and continue to dispose of garden waste at the tip free of charge.
19	Increasing alternative Temporary Accommodation provisions	(1,077)	(1,850)	(1,850)	The City Council has successfully purchased and operated a number of temporary accommodation schemes to reduce the significant additional costs associated with the rising demand. Further properties will be purchased and operated to support the increasing demand in this area reducing the cost to the Council.
20	Overnight switch off Street Lights (Change to Pre-Budget Report)	(700)	(700)	(700)	This proposes to switch off 70% of the street-lighting between 12am and 5.30am on Sunday to Thursday and 1am to 5.30am on Friday to Saturday, to support Coventry's 'Green' agenda and reduce energy costs by £0.7m. This will retain lights in bespoke areas with late night activity and potential pedestrian, driver and safety hotspots
21	Introduce separate food waste collection (Change to Pre-Budget Report)	0	(1,000)	(1,000)	By introducing a weekly separate food waste collection service and removing food waste from the brown lidded bins, the remaining garden waste in the brown lidded bins can then be treated at much lower price of £20 per tonne (currently £60 per tonne when combined with food waste). This would be implemented from 1st April 2025, to reflect vehicle lead times, and would involve offering a food waste bin to all households for weekly collection
22	City Centre care parking price increase	(320)	(600)	(600)	General price tariffs for city centre car parks have not been increased since 2017. This proposes increasing city centre car park charges by 10% in both 24/25 and 25/26 in line with historic inflation increases.

23	SEND Travel assistance review	(300)	(500)	(500)	This proposal includes a number of options to reduce the pressures around this area. 1) The LA set its current contributory charge for post-16 travel assistance in 2017. It is proposed that this is increased to £780 pa, reduced to £390 pa for low-income families. 2) In addition it is proposed that the contributory charge is waived if a qualifying parent chooses to accept a personal budget as an alternative to a LA minibus or taxi. 3) Evaluate whether named pick up points instead of door-to-door transport would be more efficient 4) Assess if ambulant post 16 students who do not require an escort can arrange transport through a personal budget 5) Undertake a value for money review, focused on the procurement of taxis and the e-auction process. 6) Conduct a rapid efficiency review of current in-house transport, to determine if extending the fleet would reduce reliance on private providers and associated costs (cross-cutting with Adults, Children's, Travel Bureau & Procurement).
24	Standardise residents parking permit fees	(210)	(210)	(210)	Current parking permit schemes are priced inconsistently and subsidised by £210,000 per year. Council policy for resident parking schemes is to recover operating costs, so this option proposes the recovery of the subsidy through a combination of s106 contributions, together with a more equitable and consistent system of charging for annual permits. A flat fee of £10 per vehicle (except CBS arena) per year would recover an additional net £175,000, with a requirement to recover the remainder each year through s106.
25	Seek sponsorship for festive lights	(150)	(150)	(150)	This would remove the additional subsidy supporting festive lights and seek external sponsorship to continue the current level of offer
26	War Memorial Car Park Charges (Change to Pre-Budget Report)	0	0	0	Proposal Removed
27	Introduce a Transit site for travellers	(150)	(150)	(150)	Invest in a Traveller Transit Site to enable traveller incursions (illegal encampments) to be enforced by the Police rather than the City Council. Site Location to be determined but must be within the City boundary.
28	Cease mainstream home to school bus routes	(128)	(220)	(220)	Proposal to remove funding that subsidises the provision of non-statutory school transport which affects 5 dedicated school routes to Bishop Ullathorne Secondary school and an extension to a public transport route serving Blue Coat Secondary school, affecting approximately 400 pupils (less than 2% of the secondary school cohort). The City Council provided funding to subsidise these routes following a commercial provider going into liquidation during the pandemic in 2020. The City Council will continue to provide bus passes for children entitled to statutory support for home to school transport to enable them to utilise the public transport network.
29	Charge full costs recovery for Adult Social care PFI schemes	(66)	(170)	(291)	The Anchor operated PFI comprises 3 housing with care schemes and 2 dementia care homes. Full cost recovery to self funders has not kept pace with changes in costs and where self-funders are admitted to a dementia bed the City Council currently charges £619.20 per week compared to the full cost of £911 per week. The proposal is to implement a full cost charge of £911 per week to all new self-funders moving into a dementia residential bed. Existing self-funders will be subject to inflationary only increases as per the existing arrangement.
30	Cultural Organisations Financial Efficiencies	0	(380)	(380)	This would represent a 15% reduction in Council funding, through generating financial efficiencies with both Culture Coventry Trust and Belgrade Theatre Trust from 2025/26.
31	Godiva Festival: Further Income Generation	0	(300)	(300)	Move to greater external funding & commercial activity to cover the costs of the Godiva Festival in order to replace core Council funding by 2025/26. This could include a combination of higher ticket prices, external funding and more sponsorship
32	Expansion of Residential Strategy	0	(200)	(400)	Coventry City Council operates a number of Childrens Homes to meet the needs of our children and provide additional capacity and manage costs. A further 2 smaller homes are proposed to be developed which would assist in addressing the challenges of young people who require solo/ small homes (2 children maximum) and have the highest cost placements.
33	Council tax Premium for second homes	0	(150)	(150)	The Levelling Up and Regeneration Act will allow a 100% premium to be charged for empty second homes with exemptions for properties that are being actively marketed for let or sale.
Subtotal Service savings		(8,440)	(12,919)	(13,240)	
Budget (Surplus)/Deficit		0	14,310	14,761	