

Agenda Item 16

Appendix 1

Medium Term Financial Strategy

Summary			
	2023/24	2024/25	2025/26
	£000's	£000's	£000's
Net Resources			
Council Tax LA Element	(5,981)	(2,512)	(1,768)
Increase in the Council Tax Base	(427)	(602)	(596)
Collection Fund Hardship Reserve	616	(616)	
Collection Fund Surplus	(2,567)	2,567	0
Adult Social Care Precept	(1,496)	(1,675)	(877)
Business Rates Position	(12,395)	1,729	(665)
Government Resources Position	(2,407)	(148)	(151)
Net Additional (Reduction) in resources	(24,657)	(1,257)	(4,057)
Inflation and other increases			
Pay award	7,292	3,708	3,851
Fuel inflation	350	175	175
Waste Inflation	1,164	1,164	1,164
Pension Deficit Adjustment	1,000	0	0
Energy Inflation	2,252	563	563
	12,058	5,610	5,753
- Service Growth	5,996	4,764	4,143
2022/23 Budget Monitoring Pressures	8,591	0	0
Intervention Costs	6,206	(2,781)	(3,425)
Other funding (not affecting baseline)			
Utilisation of Capital Receipts	3,300	0	0
Contribution to Transformation reserve	12,515	(12,515)	
Use of reserves 2021/22	1,816	3,000	0
	17,631	(9,515)	0
Total Gross Budget Pressure	25,825	(3,178)	2,414
Savings Departmental			
Adults' Services:	(1,100)	(300)	0
Children's Services:	(705)	(711)	0
Public Realm:	(1,669)	(993)	(100)
Place	(640)	(303)	(375)
Corporate Finance	(190)	(40)	0
Legal and Governance	0	(283)	0
Housing General Fund	(502)	(120)	(20)
Strategy, Customer Services & Comms	(216)	0	0
HR, OD and Transformation:	(558)	(15)	0
Collection Fund	(566)	(76)	0
Cross Cutting	(2,000)	(9,236)	(11,967)
Total Departmental Savings	(8,145)	(12,077)	(12,462)
Core Budget Position (Surplus) / Deficit	17,679	(15,255)	(10,048)
Treasury			
Interest Costs	27,893	(12,223)	(13,563)
Investment Income	33,533	4,580	1,122
MRP	178	566	118
	61,605	(7,077)	(12,323)
Prior years capitalisation			
MRP	22,619	9,018	(14,391)
Interest	3,299	4,760	3,738
	25,918	13,778	(10,653)
MRP on investments	74,956	(15,065)	(54,181)
			0
Total Council Net budget variance	180,159	(23,619)	(87,205)

Narrative	2023/24 Basis for calculation
<u>Net Resources</u>	
CT increase	CT increase 7.99%
CT Base Increase	0.57% increase to CT Base
Adult Social Care Precept increase	2% increase
Business Rates Position	Increase in Section 31 grant £5.542m, Collection Fund Surplus £4.894m, Precept £1.959m
Government Resources Position	Core spending grants within Local Government finance settlement confirmed December 2022
<u>Inflation and other increases</u>	
Pay award	4% pay award and 1.8% adjustment for increments. Removed Health & Social Care NI Levy and employer NI adjustment back to 13.8%. Further provision for impact of changes to 2022/23 pay policy (£2.5m)
Fuel inflation	10% increase in prices compared to 22/23
Waste Inflation	10% inflation, increase for demographic growth (2.9% or 1.6% linked to CT base increase) and additional waste collection.
Energy Inflation	60% increase in prices compared to 22/23
<u>Social Care Growth</u>	
Social Care Growth - Adults	Uplift for care providers
	Application of estimated market sustainability funding
	Increasing demographic changes
	Transitional to adulthood for Children's social care service users
Social Care Growth - Children's	5% growth for Children social care placement prices and transport costs
2022/23 Budget Monitoring Pressures	22/23 budget pressures reported as per budget monitoring
<u>Other funding (not affecting baseline)</u>	
One off funding 22/23 - Capital Receipts	Removal of one-off funding in the base - use of capital receipts £3.190m
2023/24 use of capital receipts for transformation	£3m
Contribution to Transformation Reserve	£12.515m
One off funding 22/23 - Reserves	Removal of one-off funding in the base - use of reserves £4.926m
<u>Savings</u>	
Separate detailed savings schedule	2023/24 Identified operational savings £8.145m.
<u>Treasury</u>	
Interest Costs	Loan refinancing at 4.5%
Investment Income	Loss of investment income – current known position

MRP	Provision applied to write down investment assets values over shortest period within relevant guidance.
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