

## Appendix 1

### Medium Term Financial Strategy

Summary			
	2023/24	2024/25	2025/26
	£000's	£000's	£000's
<b>Net Resources</b>			
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)
<b>Net Additional (Reduction) in resources</b>	<b>(24,657)</b>	<b>(1,257)</b>	<b>(4,057)</b>
<b>Inflation and other increases</b>			
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
	<b>12,058</b>	<b>5,610</b>	<b>5,753</b>
- 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)
<b>Other funding (not affecting baseline)</b>			
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
	<b>17,631</b>	<b>(9,515)</b>	<b>0</b>
<b>Total Gross Budget Pressure</b>	<b>25,825</b>	<b>(3,178)</b>	<b>2,414</b>
<b>Savings Departmental</b>			
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)
<b>Total Departmental Savings</b>	<b>(8,145)</b>	<b>(12,077)</b>	<b>(12,462)</b>
<b>Core Budget Position (Surplus) / Deficit</b>	<b>17,679</b>	<b>(15,255)</b>	<b>(10,048)</b>
<b>Treasury</b>			
Interest Costs	27,893	(12,223)	(13,563)
Investment Income	33,533	4,580	1,122
MRP	178	566	118
	<b>61,605</b>	<b>(7,077)</b>	<b>(12,323)</b>
<b>Prior years capitalisation</b>			
MRP	22,619	9,018	(14,391)
Interest	3,299	4,760	3,738
	<b>25,918</b>	<b>13,778</b>	<b>(10,653)</b>
MRP on investments	<b>74,956</b>	<b>(15,065)</b>	<b>(54,181)</b>
			<b>0</b>
<b>Total Council Net budget variance</b>	<b>180,159</b>	<b>(23,619)</b>	<b>(87,205)</b>

<b>Narrative</b>	<b>2023/24 Basis for calculation</b>
<b><u>Net Resources</u></b>	
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
<b><u>Inflation and other increases</u></b>	
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
<b><u>Social Care Growth</u></b>	
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
<b><u>Other funding (not affecting baseline)</u></b>	
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
<b><u>Savings</u></b>	
Separate detailed savings schedule	2023/24 Identified operational savings £8.145m.
<b><u>Treasury</u></b>	
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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