

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**REPORT COVER SHEET**

Title of Report:	Medium Term Financial Strategy 2024/25 – 2026/27
Meeting of:	Council
Date:	19/02/24
Is this an Executive Decision:	No
Is this a Key Decision:	Yes
Is the report Confidential:	No
If so, please state relevant paragraph from Schedule 12A LGA 1972:	n/a

**Essential Signatories:**

**ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE**

Monitoring Officer: John Teasdale

Date ..... Signature .....

Chief Finance Officer: Lloyd Haynes

Date ..... Signature .....

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

Report to Council

Date: 19<sup>th</sup> February 2024

<b>TITLE:</b>	Medium Term Financial Strategy 2024/25 – 2026/27
<b>PORTFOLIO:</b>	Finance
<b>HEAD OF SERVICE:</b>	Lloyd Haynes - Chief Finance Officer (S151 Officer)
<b>CONTACT OFFICER:</b>	James Hopwood, Chief Accountant ext.x1139
<b>WARD(S) AFFECTED:</b>	All

**1. Purpose of the Report**

- 1.1 The report sets out for members the council's Medium Term Financial Strategy (MTFS) for the period covering 2024/25 to 2026/27.
- 1.2 The MTFS comprises a three-year plan for the revenue budget. Further the MTFS includes a revised Capital Programme and an Asset Management and Capital Strategy, which is set out in the appendices to the report.
- 1.3 The revised Capital Programme is an important element within the MTFS. It establishes the infrastructure, which is needed to deliver services. However, when funded by revenue or borrowing, it causes costs which need to be managed within the three-year revenue budget.
- 1.4 The Council agenda also includes the proposed Treasury Management Strategy for 2024/25, which dovetails in to both the council's revenue and capital commitments. The Treasury Management Strategy is a plan to manage the council's cash flows, borrowing and investments, which arise from past, present and future revenue and capital budgets.
- 1.5 A further report on the Council agenda seeks to formally set the Council Tax for 2024/25, in accordance with regulations. The format and content of that report is largely prescribed by statutory regulations on the process to legally set Council Tax.

1.6 Members are also reminded that in accordance with Section 106 of the Local Government Finance Act 1992, any Member in council tax arrears is unable to participate in the debate and decision making in relation to the budget and council tax setting.

## **2. Executive Summary**

2.1 This Medium Term Financial Strategy (MTFS) has been developed during a period which continues to see a high degree of financial uncertainty due to current economic conditions and planned reforms to local government funding, mentioned below. Nevertheless the council's strategic approach to financial planning has allowed us to respond to that uncertain environment positively and the strategy sets out plans for significant investment in the Borough, whilst at the same time protecting services and presenting a balanced budget.

2.2 The provisional Local Government Finance Settlement for 2024/25 was announced by Government on 18<sup>th</sup> December 2023, and was again a one year settlement for the 2024/25 financial year only (the settlement will be finalised in February).

2.3 The settlement was regarded as more positive than generally anticipated by the sector, given the context of central government funding reductions between 2010 and 2019. Key points from the 2024/25 settlement were:

- Core Spending Power increased by 6.5% on average across England. However, the increase for East Staffordshire Borough Council was lower, at 4.8%. This follows the pattern of previous years, in which central government funding for District Councils was below the national average. In detail, the council's Core Spending Power increased by circa £0.6m for 2024/25. The Core Spending Power analysis, including the assumptions within the calculation, were set by Government. It includes an assumed amount for Council Tax and Special Expenses, which is the maximum rate before the referendum threshold.
- The council will continue to receive a New Homes Bonus in 2024/25, of £1.112m. This is an increase compared to the £0.973m received in 2023/24.
- The standard rate Business Rate multiplier has been frozen for businesses in the district. The Government has provided a compensating grant to councils (Section 31 grants), which equates to an increase to the standard rated Business Rate multiplier in line with CPI inflation.
- The Government announced a services grant of £20,360 and Revenue Support Grant of £124,000. Further, the council received a Minimum Funding Grant of £0.7m in 2024/25 - this grant funds the Government guarantee that Core Spending Power does not fall below a specified increase to previous years funding, which in the provisional settlement was set at 3%. The receipt of this grant has ensured that the council's Core Spending Power overall has increased by 4.8%. It is currently unknown whether the funding guarantee will continue in future years.
- As well as the elements described above, the council's general funding is impacted by the estimates of Business Rates collection for the district, as formalised in the official

return to Government on 31 January 2024. The local decision on the actual Council Tax rate is then the final element, which, alongside the Council Tax Base, determines overall council funding.

- 2.4 Additionally on 24<sup>th</sup> January 2024, in response to consultation feedback received in relation to the provision settlement, the government announced a further £600m of funding would be provided to local authorities in 2024/25 – with £500m of that targeted to social care authorities, and the remaining £100m seeking to increase the Minimum Funding Grant from 3% to 4%. Updated allocations for the council have not yet been provided, however it is estimated that this would equate to a further circa £140k for 2024/25, with the announcement by government not confirming whether this would then continue in to future years.
- 2.5 However the updated funding announcement did also set out that government will be asking local authorities to produce productivity plans which will set out how they will improve service performance and ensure every area is making best use of taxpayers' money, with the government then monitoring these plans, and funding settlements in future years will be informed by performance against them. Full details on this requirement are expected to be provided by government during 2024/25.
- 2.6 As such any final increase relating to that additional funding is recommended to be transferred to General Reserves to strengthen the resilience in that area given the ongoing financial uncertainty and risks that the authority faces.
- 2.7 The one year settlement does also mean that there continues to be considerable financial uncertainty for the 2025/26 and 2026/27 financial years. As a result, the updated projections included in the MTFS for those years are provisional at this stage.
- 2.8 Alongside that a change to the national system determining the level of Business Rates retained by councils is currently assumed to take place ahead of the 2025/26 financial year. The council's MTFS includes an assumption regarding the level of growth that may be retained following this change (which is set out in more detail within the report) however the final impact on 2025/26 and 2026/27 can only be estimated when further details are available.
- 2.9 Given the value of retained business rates for the council, this represents significant risk and volatility and as such the council continues to set aside a sum of money to mitigate this by use of a business rates reserve, with the required balance of that reserve assessed each year as part of the MTFS update.
- 2.10 There is also additional uncertainty due to further planned changes to the national funding formulas which determine other elements of the council's funding. The final result of this change for 2025/26 or 2026/27 is also unknown at present.
- 2.11 As such, the updated strategy seeks to balance provision for the pressures associated with current economic conditions, such as high inflation, alongside investment in the council's

priorities - with further details in relation to service investment and budgetary pressures outlined within the report, against the resources that are available to it.

- 2.12 This means that whilst the proposed 2024/25 budget is balanced, for 2025/26 and 2026/27, given the uncertainty relating to funding that may be available to the council for those years, the position continues to be provisionally balanced by a planned drawdown from the New Homes Bonus Reserve. The council continues to have a strong underlying financial resilience, and once additional certainty relating to funding for the latter years of the MTFS is available we will develop further savings and income generation plans in order to reduce reliance on one-off resources.
- 2.13 The council's updated Capital Programme is also included within the MTFS along with the supporting Asset Management and Capital Strategy.
- 2.14 The Capital Programme makes extensive provision for investment in the Borough totalling £47.3m, which incorporates:
- Continuation of the Towns Fund Programme, which totalled £27.8m, £23.8m funded from Government Levelling Up monies and £4m from a Section 106 contribution – with remaining spend of £15.7m anticipated to be utilised on the Towns Funds priorities from 2024/25;
  - The Uttoxeter Sports Hub scheme of £1.7m;
  - £3.2m, excluding spend up to 31 March 2024, for the Uttoxeter Masterplan, including development of the Maltings precinct;
  - Provision for ICT (£0.1m) and cemeteries improvements (£0.4m), Disabled Facility Grants (£5.5m), and funding towards the Community Regeneration Grant Scheme (£0.2m);
  - £0.150m for a new vehicle to clean up fly-tipping within the district;
  - £0.7m for new refuse vehicles to deliver waste collection services to a growing population within the district;
  - £0.5m Swimming Pool Support Fund Grant
  - £3.4m programme of modernisation investment and decarbonisation works to council buildings / estate, part funded by external grants of £0.850m;
  - £1m Food Waste collection set-up costs, funded by a grant from the Department for Food and Rural Affairs;
  - £0.6m to repair Burton Market Hall Roof, as part of the council's regeneration plans;
  - £29,000 for the restoration of the Orton and Spooner carving, preserving the council's coat of arms.
- 2.15 The Council, in accordance with CIPFA's Prudential Code, must consider the impact of the Capital Programme on the prudential indicators, and far as possible this is set out within the Treasury Management Strategy.
- 2.16 The council's Chief Financial Officer is required annually to report on the robustness of reserves and of the budget in totality. The General Reserve is risk assessed at a minimum

level of £1.6m. This represents a small increase on previous years, given the overall increase in the proposed budget for 2024/25. Further details in relation to reserves are set out at Section 12.

- 2.17 The report concludes that the Chief Financial Officer views both the revenue and capital budgets for 2024/25 as prudent and affordable. Both budgets take account of external demands, service pressures and risks and leaves the council with an appropriate level of reserves in the medium term. Looking ahead the risks associated with the local government finance reforms, supported housing claims and potentially operational costs from our regeneration activities mean that the council will need to identify and deliver further savings in the future in order to reduce reliance on one-off resources.
- 2.18 In approving the MTFs the level of Council tax required will be £198.63 (Borough Council at Band D), a 2.98% increase on the 2023/24 level - this equates to 11p per week for a Band D property.

### **3. Contribution to Corporate Priorities**

- 3.1 The Medium Term Financial Strategy (MTFS) contributes to and underpins all priorities. The MTFS has nine objectives, to:
- Show how resources support the delivery of the Corporate Plan over the period,
  - Provide a platform to support the decision making framework,
  - Enable the Council to be proactive rather than reactive,
  - Act as a barometer and give early indication of the need to revisit priorities,
  - Support sustainable services and ensure reserves are sufficient,
  - Hold a working balance to respond to unexpected events,
  - Be responsive to changing risks, needs and legislation,
  - Support the council's services and core strategies, and
  - Provide indications of future Council tax levels.
- 3.2 The Corporate Plan determines the overall allocation of council spend between different priorities. These objectives are:
- Improving Local Democracy
  - Creating a prosperous East Staffordshire
  - Developing a Green New Deal for East Staffordshire
  - Protecting our heritage
  - Standing up for our communities

### **4. Central Government Funding Settlement**

- 4.1 The council was impacted by unprecedented reductions in settlement funding from Government of 78% or £6.4m on a like for like basis between 2010 and 2019. Further large scale changes are proposed to reform local government finance including a business rates reset and a funding needs re-assessment intended to update the distribution of resources within the sector. This continues to create a significant amount of uncertainty for local authorities.

4.2 The 2024/25 provisional local government finance settlement was announced on 18<sup>th</sup> December 2023, and is once again for one year only. The main points relevant to the council are set out below.

- **Council Tax** – As previously announced, the council tax referendum limit will remain at 2.99% for local authorities, with social care authorities allowed an additional 2% social care precept. The provisional settlement again confirmed that districts will be allowed to apply the higher of the referendum limit or £5.
- **Business Rates Retention** – The standard rate Business Rate multiplier has been frozen for businesses in the district. The Government has provided a compensating grant to councils (Section 31 grants), which equates to the equivalent of an increase to the standard rated Business Rate multiplier in line with CPI inflation.
- **New: Funding Guarantee** – This grant replaced the Lower Tier Services Grant and is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power that is lower than 3% (before assumptions on council tax rate increases, but includes those on Council Tax base).
- **Local Government Funding Reform** – No further announcements were made in relation to the timing of any Review of Relative Needs and Resources ('Fair Funding Review') and the reset of Business Rates growth.

4.3 Additionally on 24<sup>th</sup> January 2024, in response to consultation feedback received in relation to the provision settlement, the government announced a further £600m of funding would be provided to local authorities in 2024/25 – with £500m of that targeted to social care authorities, and the remaining £100m seeking to increase the Minimum Funding Grant from 3% to 4%. Updated allocations for the council have not yet been provided, however it is estimated that this would equate to a further circa £140k for 2024/25, with the announcement by government not confirming whether this would then continue in to future years.

4.4 The impact on the council from this settlement is set out below.

### **Core Spending Power Analysis**

4.5 For a number of years the Government have chosen to publish Core Spending Power (CSP) figures to represent key revenue resources available to local authorities, including an estimate of potential increased council tax income. However, crucially it does not include growth from business rates above the government set baseline.

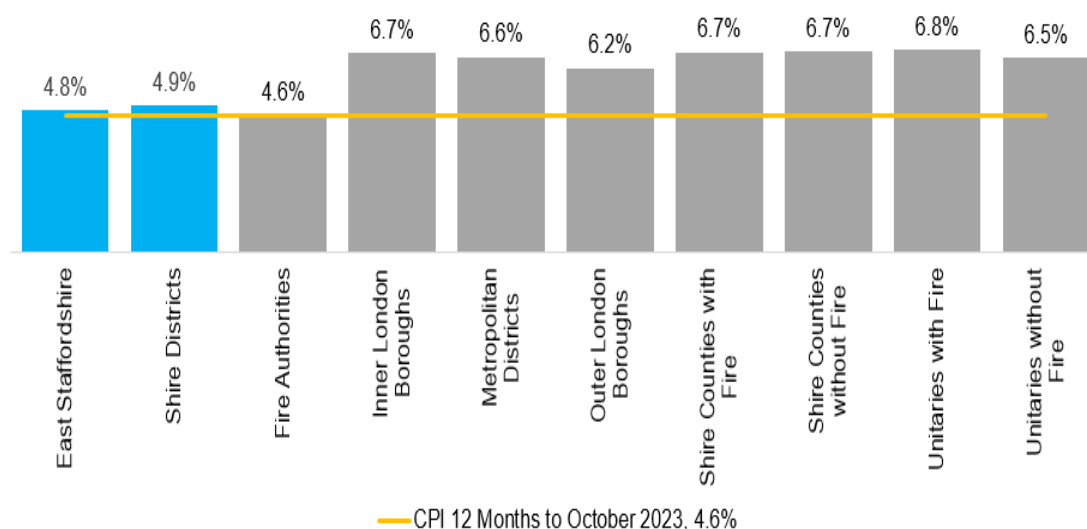
4.6 The table below demonstrates the breakdown of CSP within the provisional settlement and the graph compares the change in Core Spending Power between 2023/24 and 2024/25 for each class of authority. This demonstrates that the council's Core Spending Power within the provisional settlement increased by 4.8% compared to the average for Shire

Districts of 4.9%. Those authorities with responsibility for social care have seen significantly higher increases due to additional social care funding from government and additional social care council tax flexibilities.

Table 1 : Core Spending Power	2023/24	2024/25	Increase/ (Reduction)	
	£m	£m	£m	%
Settlement Funding Assessment	3.435	3.604	0.169	
Business Rates Multiplier	0.566	0.654	0.088	
New Homes Bonus	0.973	1.112	0.139	
Services Grant	0.129	0.02	(0.109)	
Funding Guarantee	0.716	0.700	(0.016)	
Assumed Council Tax Increase*	8.171	8.569	0.398	
<b>Total</b>	<b>13.990</b>	<b>14.659</b>	<b>0.669</b>	<b>4.8%</b>

\*In calculating this figure Government assume a 2.99% increase in Council Tax and a Tax base in line with the CTB form submitted in October. This figure also includes special expenses, but excludes Parish Precepts.

### Change in Spending Power Core 2023/24 to 2024/25



4.7 The funding details set out above are based on the original provisional settlement, so do not include the impact of the additional estimate of funding of circa £140k in relation to the governments further funding announcement on 24<sup>th</sup> January 2024, which would have the impact of increasing the councils CSP change to 5.8% (however CSP increases for comparative authorities shown in the chart above would also increase).

### New Homes Bonus Scheme (NHB)

4.8 In addition to the formula funding, the settlement also saw the continuation of the New Homes Bonus Scheme. This is a non-ring fenced grant which is allocated based on the number and type of housing properties brought on to the rating list each year. The amount of New Homes Bonus generated is split in two tier areas 80/20 in favour of District Councils. Over the years a number of changes have been made to the scheme including scaling back the number of years for which payments are made and the introduction of a baseline, both aimed at reducing the cost of the scheme and the level of allocations to authorities.



4.9 The current financial year was once again widely expected to be the final year of this scheme, with changes being made alongside the wider reforms. However whilst it has now been confirmed that the scheme has been rolled forward to 2024/25 there remains uncertainty over the future of the scheme following that year.

4.10 The council's New Homes Bonus allocation for 2024/25 is a payment of £1.112m, compared with £0.973m in 2023/24, reflecting the positive levels of housing growth within the Borough.

## 5. Business Rates Retention

5.1 The business rates retention (BRR) scheme came into effect from 1<sup>st</sup> April 2013 and forms a principal element of local government funding. This provides local authorities with a direct financial benefit from economic growth, but also exposure to financial risk as a consequence of economic contraction. The council is no longer in receipt of core Revenue Support Grant from the Government, therefore the settlement contains the baseline funding (£3.319m) for the BRR Scheme.

5.2 A key determinate of local government funding is the actual business rates collected. Income above or below the expected level of business rates impacts on locally retained income. Under the mainstream system there is a safety net built into the scheme to ensure that no authority's income falls below a set level, for East Staffordshire this would be set at £3.070m. Likewise there is levy payable on any business rate growth above the baseline, for East Staffordshire this is set at 50%. However, the council has formed a Pool with Staffordshire Authorities and this is outlined in more detail below.

5.3 The table below provides a breakdown of the forecast business rates income built into the MTFS for 2024/25.

<b>Table 2 : Retained Business Rates</b>	<b>2024/25 £000</b>
Forecast Net Business Rates	64,210
Central Government Share (50%)	(32,105)
Major Preceptors Share (10%)	(6,421)
ESBC Share (40%)	25,684
Section 31 Grants	4,294
Less Tariff	(21,487)
Retained business rates	8,491
Levy to the Staffordshire Pool (Para. 6.6)	(1,340)
<b>Sub-total Retained Business Rates</b>	<b>7,151</b>
Estimated Transfer to Business Rates Retention Reserve	(690)
<b>Retained Business Rates</b>	<b>6,461</b>
<b>Baseline</b>	<b>3,319</b>
<b>Safety Net</b>	<b>3,070</b>

6.4 It is apparent that at both a local and national level there can be a significant amount of volatility within the business rates scheme, largely arising from the level of reliefs and appeals which can have a significant impact on the business rates collected. The current economic conditions have added to the risks associated with this income stream. Given these risks, and the risk related to business rates reset described below, the council has established a business rates reserve in order to manage this volatility, with the required balance of that reserve assessed each year as part of the MTFS update.

6.5 The Government is committed to undertaking a business rates reset in line with the original intentions of the scheme. It is intended that this this will re-distribute growth within the system in line with the needs assessment. There have been a number of consultations and working groups taking place over several years but it is not yet known how and when the reset will take place, for example it could be a full reset to baseline, a partial reset or a phased reset. Bearing this in mind the proposals within this strategy assume business rates funding from 2025/26 is reduced based on a 50% partial / transitional reset with the funding re-distributed based on a revised needs assessment, but overall no reduction in Core Spending Power for individual authorities.

### **Business Rates Pooling 2024/25**

6.6 The council established a business rates pool with the other Staffordshire authorities in 2019/20 which also included a Pilot 75% retention scheme. In respect of 2020/21 to 2024/25 the pool has been rolled forward based on the 50% retention scheme. This allows the Pool to retain any levy payments that would otherwise be payable to Central Government. Under the Pooling arrangement 40% of the levy is retained by the authority with 60% treated as windfall and distributed back to the authorities. Under this arrangement the Pool must make its own arrangements for safety net. Should any of the authorities within the Pool be in a safety net position the council would need to contribute its share towards this in line with the agreement. The council's contribution to the safety net fund is held within the Business Rates Risk Reserve.

## **7. Revenue Budget**

7.1 The revenue budget for the financial years 2024/25 to 2026/27 is summarised in the table below. Details of changes to the budget by portfolio are contained later within the report and further details of changes to individual service budgets can be found in the annual budget book. The budget takes into account the key assumptions set out in Section 8.

<b>Table 3 : Budget Summary</b>	<b>2024/25 Budget £'000</b>	<b>2025/26 Budget £'000</b>	<b>2026/27 Budget £'000</b>
<b>Total Revenue Budget</b>	<b>16,794</b>	<b>16,769</b>	<b>16,691</b>
Retained Business Rates	(6,461)	(5,195)	(5,265)
Revenue Support Grant	(124)	(127)	(130)
Funding Guarantee Grant	(700)	(1,482)	(1,267)
Funding Guarantee Additional Announcement	(140)	0	0
Transfer of Funding Guarantee Additional Announcement to General Reserves	140	0	0
Services Grant	(20)	(20)	(20)
New Homes Bonus	(1,112)	0	0
Council Tax Surplus	(59)	0	0
Support To / (From) New Homes Bonus Reserve	264	(953)	(587)
Special Expenses	(451)	(451)	(451)
<b>Amount to be met from Council Tax</b>	<b>8,131</b>	<b>8,541</b>	<b>8,971</b>
Council Tax Increase (Band D)	2.98%	2.98%	2.98%

- 7.2 The table above demonstrates that the budget for 2024/25 is balanced. The budget for 2025/26 and 2026/27 has been provisionally balanced by a planned drawdown from New Homes Bonus Funding held in reserves pending the outcome of the local government finance reforms and business rates reset. This takes into account the following assumptions:
- A 50% business rates reset/transition is implemented from 1<sup>st</sup> April 2026; and a
  - Re-distribution of resources and a minimum of a freeze in Core Spending Power in line with the national policy for 2021/22, 2022/23 and 2024/25.
- 7.3 There remains a great deal of uncertainty in relation to these reforms and it is possible the resource estimates within these forecasts for 2025/26 and beyond could be more challenging, equally as we move into the next parliament we could see further deferral to their implementation.
- 7.4 Whilst the Medium Term Financial Strategy has been balanced for 2025/26 and 2026/27 on a temporary basis, pending the outcome of the reforms, the council will continue exploring opportunities for savings and efficiencies through effective ways of working and utilising potential opportunities / efficiencies through the Digital Strategy. We will continue to adopt a challenging and commissioning approach to procurement and keep under review discretionary fees and charges. Once there is more certainty in relation to these issues we will look to adopt a formal savings strategy, as required.

#### **Revenue Budget – Growth and Investments / Pressures**

- 7.5 Whilst the financial position for local government overall remains challenging, the update of the MTFs has allowed the council to identify opportunities for significant revenue budget growth in key areas to support, improve and expand service delivery to residents directly linked to Corporate Priorities, and to fund unavoidable items such as changes in assumptions to pay and inflation. These total a cumulative £1.3m, and are summarised by portfolio in the table below.

<b>Table 4: Revenue Investments/ Pressures</b>				
<b>Portfolio</b>	<b>Description</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Leader of the Council	Elections - Increase in the contribution to the Elections Reserve	9	9	9
	HR & Payments Officer	41	42	42
	Corporate and Commercial Apprentice	31	33	35
	Independent Scrutiny Support Honoraria	4	4	4
	Contribution to IT Reserve	60	60	60
	Increase in Microsoft Licensing costs	16	17	17
	Legal Services Insourcing	54	54	58
	<b>Sub-total</b>	<b>215</b>	<b>219</b>	<b>225</b>
Tourism and Cultural Development	Establishing permanency of Marketing Officer & Marketing & Tourism Team Structure	45	48	51
	Seed funding for the Burton upon Trent Place Brand Launch, incorporating Burton Music Collective Phase 2	50	0	0
	Increase in Tourism Development Grants to Tourism Businesses	12	12	12
	East Staffordshire Sports Council Grant Funding Growth	2	2	2
	Leisure management fee and utilities budget amendments	43	150	150
	<b>Sub-total</b>	<b>152</b>	<b>212</b>	<b>215</b>
Communities & Regulatory	Housing Options - Allocations and Lettings Service Contract	10	12	14
	Selective Licencing Scheme Officers (self-funding)	35	70	29
	Noise Monitoring Equipment	8	0	0
	Environment Enforcement Officer	39	39	41
	Licensing Compliance Officer	36	37	38
	Partnerships Officer	42	43	43
	<b>Sub-total</b>	<b>170</b>	<b>201</b>	<b>165</b>
Environment and Climate Change	Communities, Open Spaces & Facilities Apprentice	34	35	36
	Trees Stock Assessment	60	60	0
	Make the Climate Change Team permanent	24	33	69
	Revenue costs associated with the procurement of a dedicated fly-tipping vehicle	119	123	127
	The use of Hydrotreated Vegetable Oil (HVO) in the council's Fleet	155	155	155
	<b>Sub-total</b>	<b>392</b>	<b>406</b>	<b>387</b>
Finance & Treasury Management	Unit 4 Agresso Migration to Cloud Based	65	65	65
	Internal Audit Contract – pricing pressures	30	30	30
	<b>Sub-total</b>	<b>95</b>	<b>95</b>	<b>95</b>
Regeneration & Development	Rightsizing of Planning Service	253	226	234
	<b>Sub-total</b>	<b>253</b>	<b>226</b>	<b>234</b>
	<b>Total</b>	<b>1,277</b>	<b>1,359</b>	<b>1,321</b>

7.6 Within the Leader of the Council's portfolio the largest growth item is an ongoing £60,000 contribution to the IT reserve to fund investment in this service (a further full review of IT

requirements across the council will be also be undertaken in year to support future updates to the MTFS).

- 7.7 Within the Tourism & Cultural Development portfolio, there is £50,000 funding in 2024/25 to launch the Burton upon Place Brand. Additional funding has been invested in order to market the district and further develop tourism.
- 7.8 Within the Communities & Regulatory portfolio investment is proposed in a range of housing, licencing, enforcement and partnerships services.
- 7.9 Within the Environment & Climate Change portfolio, it is proposed to invest £155,000 in order to transition the council's fleet to Hydrotreated Vegetable Oil, which will contribute towards the council's climate change objectives. Budget has also been set aside for the running costs of a new vehicle that will be dedicated to clearing up fly-tipping within the district.
- 7.10 Within the Finance & Treasury Management portfolio, additional budget has been provided to fund the internal audit service contract due to pricing pressures and for a required upgrade of the council's current financial system, as the existing version will become obsolete in 2024/25.
- 7.11 Within the Regeneration and Development portfolio, £253,000 of investment is proposed to further develop in-house planning capacity and reduce the costs of expensive interim staff which has caused a financial pressure in the 2023/24 financial year.

#### Ongoing Contractual Negotiations

- 7.12 In addition to the above, the council is currently in negotiation with its Grounds Maintenance contractor due to the impact of the current economic conditions on the contract. It is therefore proposed that, subject to the outcome of those negotiations, authority be delegated to the relevant Cabinet Member, Leader or Deputy Leader, Chief Executive and Chief Finance Officer, in consultation with the Leader of the Opposition, to approve the outcome of that process.

#### **Revenue Budget – Savings, Cost Reductions and Additional Income**

- 7.13 Offsetting the impact of the above inflationary items, and as part of the 2024/25 budget setting process, significant savings, cost reductions and areas of additional income have been identified. These total a cumulative £2.1m by 2026/27 and are itemised in the table below.

<b>Table 5 : Revenue Savings, Cost Reductions and Additional Income</b>				
<b>Portfolio</b>	<b>Description</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Environment & Climate Change	Vehicle Fuel – reduction in price per litre	(128)	(128)	(128)
	Waste Transfer Station Facilities – New Contract from April 2024	(36)	(32)	(27)
	Forecast reduction in Gas and Electric prices	(31)	(31)	(32)
	Car Parking Charges	(341)	(351)	(401)
	Consideration of a Garden Waste subscription service	0	(790)	(790)
	<b>Sub-total</b>	<b>(536)</b>	<b>(1,332)</b>	<b>(1,378)</b>
Finance & Treasury Management	Software and revised Telephone / Standby and Callout costs and CSC Electricity	(8)	(10)	(12)
	<b>Sub-total</b>	<b>(8)</b>	<b>(10)</b>	<b>(12)</b>
Leader of the Council	SCP Change – new staff in post at lower grade	(6)	(6)	(5)
	Council Newsletter	(35)	(35)	(35)
	Pension Payments cost reduction	0	(26)	0
	<b>Sub-total</b>	<b>(41)</b>	<b>(67)</b>	<b>(40)</b>
Regeneration and Development	Project Delivery Officer	(1)	(1)	(1)
	Reduction of hours for two posts	(4)	(2)	(1)
	Programme Monitoring Officer	0	0	(1)
	<b>Sub-total</b>	<b>(5)</b>	<b>(3)</b>	<b>(3)</b>
Tourism and Cultural Development	Forecast reduction in Gas and Electric prices	(54)	(54)	(54)
	<b>Sub-total</b>	<b>(54)</b>	<b>(54)</b>	<b>(54)</b>
Communities and Regulatory Services	Forecast reduction in Electric prices	(1)	(1)	(1)
	<b>Sub-total</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
All	Application of Fees & Charges Policy	(498)	(497)	(606)
	<b>Total</b>	<b>(1,143)</b>	<b>(1,964)</b>	<b>(2,094)</b>

- 7.14 A number of the identified savings across all the portfolios relate to reductions in energy costs. As such, the budgets for fuel, gas and electricity have been reduced across the board. Given the fluctuating nature of energy costs, the council proposes to manage risks associated with any further changes in this area as part of its earmarked reserves policy.
- 7.15 Other identified savings include the decision to save back office costs from the cancellation of the Council Newsletter, within the Leader of the Council's portfolio.
- 7.16 The council has further reviewed its fees and charges and reset its schedule of fees from 2024/25 to 2026/27 in line with the existing policy meaning that where appropriate fees are uplifted in line with the impact of actual and projected inflation.
- 7.17 As part of its general review of fees and charges, the Cabinet also proposes to consider a new subscription based service for garden waste from 2025/26 onwards. The Environment Act 2021 introduced both a statutory requirement for councils to collect garden waste and the option to charge for the collection. The council currently incurs the cost of purchasing and running vehicles, as well as the staffing establishment to deliver this services to residents. The majority of neighbouring authorities already operate a subscription based

scheme and the MTFFS projections for the roll out such a service in East Staffordshire are based on the average of the current income across them.

- 7.18 The council has also reviewed its Car Parking policy and updated the charges in line with charges across the region, with details of proposed charges included in a separate report to Cabinet on 18<sup>th</sup> December 2023.
- 7.19 Overall the result of the review of the council's budgets is to propose as part of the revised MTFFS savings or additional income which total a cumulative £1.1m in 2024/25; £1.9m in 2025/26; and £2.1m in 2026/27.

### **Revenue Budget – Investment Income**

- 7.20 In addition to the proposed growth and saving items listed above, the Total Revenue Budget has been updated in relation to the revised income estimated to be delivered from the council's investment of its cash balances each year. This has been updated based on assumed average interest rates applicable to each year, informed by the current projections of the council's external treasury management advisors, and an analysis of the cash balances the authority is likely to have available over that period.
- 7.21 Given the likely volatility in actual interest rate changes that will be seen across the period, compared to current projections provided by the council's advisors, and given that interest rates are projected to move in a downward trajectory over the same time, meaning that investment income across the 3 year period will decline, the updated base budget proposes to transfer any additional investment income estimated for 2024/25 into an earmarked reserve. The purpose of this reserve will be to smooth fluctuations within the council's investment income base budget over the MTFFS.

## **8. Assumptions**

- 8.1 Key assumptions made in drafting the Medium Term Financial Strategy are set out below:-
- Pay Awards – 3% for 2024/25 and 2% thereafter.
  - Inflationary increases determined by the council's contractual agreements with suppliers have been reviewed built into the 2024/25 to 2026/27 revenue budget.
  - Costs arising from the updated Capital Programme have been added.
  - Growth items previously approved have been reviewed for any required changes, including the effect of inflation on future financial years. Any identified impacts in this area have also been added into the budgets.
  - A number of planned transfers to and from earmarked reserves are also included in the overall budget, which are in the main linked to smoothing the impact of spending pressures, such as election costs that do not synchronise with the annual budgetary cycle.
  - Staffing vacancy factor of 2% included (excluding Waste Management).
  - A 98% council tax collection rate.
  - Tax base as approved for 2024/25 with subsequent increases of 2%
  - Interest rates on investments averaging 4.5% in 2024/25, falling to 3.38% in 2025/26 and 3% in 2026/27.
  - Council tax increases of 2.98% each year.

- Government Settlement Funding / Business Rates Reset – For 2024/25 this is as per settlement and NNDR Estimates. For 2025/26 it has been assumed that a 50% business retention scheme reset / transition will take place with resources from business rates growth distributed within the sector through the settlement based on a new needs assessment. It has been assumed that a minimum policy of no reduction in Core Spending Power, which has been seen since 2021/22, will apply.
- Special expenses are reviewed regularly to facilitate cost recovery, however the level of increase for each parish special expense, based on the increased charge for a Band D property, has been limited to 2.99% (in line with national referendum principles).

## 9. Revised Revenue Budgets

9.1 The revised Revenue budget for each of the portfolios, taking account of the changes for investments, savings and other assumptions set out above is shown in the table below:

<b>2023/24 Budget £'000</b>	<b>Portfolio</b>	<b>2024/25 Budget £'000</b>	<b>2025/26 Budget £'000</b>	<b>2026/27 Budget £'000</b>
3,777	Leader of the Council	3,972	4,023	4,129
1,238	Tourism and Cultural Development	1,399	1,476	1,376
1,613	Communities and Regulatory Services	1,854	1,878	1,925
6,805	Environment and Climate Change	7,549	6,817	6,781
682	Finance and Treasury Management	1,187	1,631	1,716
694	Regeneration and Development	491	602	422
831	Corporate Items	342	342	342
<b>15,640</b>	<b>Total Revenue Budget</b>	<b>16,794</b>	<b>16,769</b>	<b>16,691</b>

9.2 As can be seen from the table, overall the Total Revenue Budget increases by circa £1.2m from 2023/24 to 2024/25, which is linked to the increase in funding between those years. However, the total Revenue Budget for 2025/26 and 2026/27 remains broadly stable because of the additional revenue streams and savings profiled against those years.

9.3 The changes seen in the Environment and Climate Change portfolio are the result of proposed growth items in 2024/25 followed by new revenue streams arising in 2025/26 and 2026/27. The increase in the Finance and Treasury Management portfolio is caused by the uplift in Capital Financing costs and a planned reduction in interest income. The increase in net spend from 2024/25 to 2025/26 within the Regeneration and Development portfolio is impacted by a one-off growth item for selective licensing.

## 10. Risk Assessment and Management

10.1 The council is committed to managing its exposure to risk. A key component of this is identifying risks as part of service planning (operational risks) as well as considering more strategic and corporate risks. Key risks relating to the revised MTFs have been identified with the most fundamental risks set out below. These have been highlighted Red / Amber / Green taking into account the scale of impact and the likelihood of occurrence. In mitigation of these risks there may be financial implications.



- **Supported Housing.** In recent years the council has seen a significant uplift in Supported housing claims within the Borough, this includes new providers entering into the market in the Borough. There remains a number of outstanding claims and a formal dispute awaiting tribunal. The budget makes some limited provision for growth in the number of claims and holds some specific funding in reserves to mitigate this. Nevertheless, there is a risk that this provision may not be sufficient should the claims eventually be successful, which would cause a substantial impact on the base budget on an ongoing basis.
- **Formula Central Government Funding.** There remains a high degree of uncertainty in relation to the future of the New Homes Bonus Scheme beyond 2024/25. In addition to this, whilst the provisional settlement provided some short term stability in relation to the wider funding reforms (business rates reset and the needs based review) there remains a high degree of uncertainty for 2025/26 and beyond. The council has taken a pragmatic approach to forecasting funding levels within this uncertain environment.
- **Interest Rate Movements.** Predicting interest rate movements over the coming period is a highly uncertain business, particularly in light of the current economic circumstances. Indeed several changes to the base rate are currently anticipated throughout 2024/25 and across the MTFs period. However the authority has taken a balanced approach to setting investment income budgets and to smoothing these through use of an investment income reserve.
- **Capital Plans / Regeneration Aspirations.** Capital Programme and regeneration aspirations means there is a risk of cost increases above the allocated funding. Whilst contingencies are built into the project costings, cost inflation is a particular risk at the current time. This is mitigated through a robust project monitoring and management framework, outlined in the Capital Strategy. In the longer term there is a risk associated with the ongoing operating costs associated with these developments and the extent to which they may be managed through third parties.
- **Economy.** During the course of 2023 the economic conditions have had a significant impact on the Medium Term Financial Strategy, including high inflation impacting on pay and contracts, increased energy costs and higher interest rates / investment income. How quickly the wider economy is able to recover from these challenges will continue to have a significant impact on the financial plans of the council. The council has set aside some contingency to deal with the resulting financial pressures and been prudent in its estimates of investment income.
- **Business Rate Retention Scheme.** As set out within Section 6 of the report the council is potentially exposed to the risk of reduced income levels as a consequence of business rates contraction. As well as economic growth or contraction, there are a number of other factors that can impact on the business rates collected, including the number and level of mandatory and discretionary reliefs and also valuation appeals. Due to the safety net built into the current scheme these risks are limited. This has been considered as part of the reserves strategy, with a specific reserve to deal with business

rates volatility. Finally, the current business rates retention scheme is due to be reset potentially from April 2025. The assumptions within this strategy make provision for a 50% reset / transition from 1<sup>st</sup> April 2025 which takes into consideration Government awareness of financial resilience within the sector and the previously stated approach for a transition in respect of the reforms.

- **Income Generation.** The authority generates a substantial amount of income from services such as planning, building consultancy, markets, recycling, the investment of cash balances and parking. We have seen in recent years that the economy and other factors such as the weather can have a significant impact on the levels of income generated, which could have a negative impact on the budgets. This is mitigated to some extent by adopting a prudent approach to budget setting and also routine and robust risk based budget monitoring throughout the year. However, as set out above, the authority has set aside provisions to mitigate against the risk associated with a shortfall in service income levels as well as other risks.

The table below sets out the degree of sensitivity to changes to these key areas of funding:

<b>Table 7: Sensitivity Analysis</b>	
<b>Every 5% reduction in income compared to the 2024/25 estimate</b>	
<b>Income Stream/Source</b>	<b>£m</b>
Business Rates*	1.2m
Government Finance Settlement	0.2m
Fees and Charges Income	0.2m
Investment Income (0.5% change in forecast base rate)	0.2m

\*This risk is managed through the business rates risk/volatility reserve

- **Waste Management / Recycling.** There continues to be significant challenges in the waste industry which may result in future cost pressures for the council in the medium term. These pressures include changes being implemented by central government, for example, in relation to food waste collection requirements. In addition to which, market price fluctuations and tonnage levels can be impacted by economic and weather conditions. The council has adopted a pragmatic approach to setting the budgets for this area, including provision for the impact on the service from continued housing growth.
- **Costs / Losses Passed from Other Public Bodies.** The extended period of funding reductions had a significant impact on all public bodies. This can on occasion lead to decisions being made by one organisation in order to reduce their costs having either an indirect or direct consequences in another part of the sector. Specific risk areas identified include the government’s implementation of proposed reforms to Waste

Recycling as well as conditions being attached to Homelessness Reduction Act funding and recycling credits which are administered by Staffordshire County Council.

- **Capital Receipts / MRP.** The revenue budget includes assumptions around the ongoing reduction in underlying debt by utilising capital receipts from the sale of assets. Should receipts not materialise within the timescales anticipated an in-year cost pressure may need to be managed.
- **Local Council Tax Support.** From April 2013 the Local Council Tax Support Scheme came into effect. There are a number of risks associated with this, including the extent of any new applicants and over the medium to long term, changes in demographics. The extent of this risk for the Borough Council is limited to approximately 12%, being our share of the overall Council Tax bill.
- **VAT Partial Exemption De-Minimis.** The authority is limited to the extent that it can recover VAT in relation to exempt activities, such as Brewhouse and lettings. The council has taken steps to minimise this risk over the years by opting to tax various assets, however ongoing review and monitoring of this will be necessary.
- **Pay Awards.** The budget assumes pay increases of 3% in 2024/25, and 2% thereafter. For every 1% above this offer awarded there is an additional cost of approx. £0.1m per annum.
- **Pension Fund.** The triennial review of the council's pension fund took place as at March 2022 and this is reflected within the budgets for 2024/25. In the medium / long term there are a number of factors that can have a significant impact on future pension contribution levels, including the performance of the economy, life expectancy levels and fund membership numbers. Through the stabilised mechanism the actuary as indicated that future contributions, beyond the latest triennial period are unlikely to change by +/- 1%.

10.2 The above risks and mitigating actions as well as key risk reserves have been taken into account in reaching a view on acceptable levels of general fund reserves.

## 11. The Capital Programme and the Prudential Code

11.1 The 2024/25 MTFs also updates the Capital Programme. Overall, the revised proposed Capital Programme for 2024/25 to 2027/28 totals £47.3m. This includes both mainstream capital projects and the Towns Fund. The full Capital Programme is set out in detail in Appendix B.

11.2 The Capital Programme represents investment on infrastructure which has long-term benefits, across different financial years. It includes investment in the council's vehicle fleet, building and regeneration projects.

- 11.3 The 2023/24 - 2027/28 Capital Programme includes a number of key ongoing and new projects for the district, including:
- Continuation of the Towns Fund Programme, which totalled £27.8m, £23.8m funded from Government Levelling Up monies and £4m from a Section 106 contribution – with remaining spend of £15.7m anticipated to be utilised on the Towns Funds priorities from 2024/25;
  - The Uttoxeter Sports Hub scheme of £1.7m;
  - £3.2m, excluding spend up to 31 March 2024, for the Uttoxeter Masterplan, including development of the Maltings precinct;
  - Provision for ICT (£0.1m) and cemeteries improvements (£0.4m), Disabled Facility Grants (£5.5m), and funding towards the Community Regeneration Grant Scheme (£0.2m);
  - £0.150m for a new vehicle to clean up fly-tipping within the district;
  - £0.7m for new refuse vehicles to deliver waste collection services to a growing population within the district;
  - £0.5m Swimming Pool Support Fund Grant
  - £3.4m programme of modernisation investment and decarbonisation works to council buildings / estate, part funded by external grants of £0.850m;
  - £1m Food Waste collection set-up costs, funded by a grant from the Department for Food and Rural Affairs;
  - £0.6m to repair Burton Market Hall Roof, as part of the council's regeneration plans;
  - £29,000 for the restoration of the Orton and Spooner carving, preserving the council's coat of arms.
- 11.4 There is a link between the capital programme and the council's MTFs, with two main issues arising:-
- Capital schemes can have direct revenue consequences – for example a new property will impact on business rates, insurance, utility costs and staffing or new infrastructure or equipment could result in additional maintenance costs. This can be in the short, medium and long term, and
  - The funding of the capital scheme will affect the revenue budget whether by incurring borrowing costs (both interest on borrowing and costs to set aside funding for the repayment of debt i.e. Minimum Revenue Provision, MRP) or by losing investment interest on capital receipts used to finance capital expenditure.
- 11.5 The impact of capital decisions on revenue is indicated within the Prudential Indicators which are set out within the Treasury Management Strategy.
- 11.6 Members will recall that the Local Government Act 2003 introduced the financial regime for local authority capital expenditure. The system is based on self-regulation with freedom to invest, provided the programme is affordable, prudent and financially sustainable. The requirements set out within the Prudential Code and revised investment guidance issued by the Government have been enhanced in recent years as a result of commercial activities (e.g. Property acquisitions for which the primary purpose is income generation) being undertaken in some parts of the sector. The council has continued to produce the annual Asset and Capital Strategy, whilst this has been enhanced, the council does not have any

existing commercial investments funded from prudential borrowing and there are no proposals for this activity within this report.

- 11.7 The Treasury Management Strategy provides further information on the capital programme and its impact upon the Prudential Indicators. The council's underlying need to borrow for capital purposes (the Capital Financing Requirement) is a key indicator of prudence. When compared with the estimated external debt it ensures that, in the medium term, the council is borrowing only for capital purposes.
- 11.8 Historically the council's level of underlying need to borrow has been relatively high in comparison to neighbouring authorities, however in recent years the authority has taken steps to improve this by adopting the approach of utilising windfall monies from New Homes Bonus to support a reduction in the underlying debt and reduce the cost to the revenue budget. Continuing to reduce the underlying debt will enable savings to be maximised when the next tranches of external debt mature, subject to prevailing investment rates.

## 12. Reserves

- 12.1 The Local Government Act 2003 requires the council's Chief Financial Officer to report on the robustness and sustainability of the estimates included in the budget and the adequacy of reserves for which the budget provides. The council's policy is to carry out an annual review of all reserves as part of the budget preparation process. This includes identifying their purpose, and advising on the appropriate level for each reserve. This has been undertaken and table 8 below provides a summary of reserves and their expected movements.
- 12.2 Additionally, the Chief Finance Officer has reviewed the level of general reserves. The minimum advisable level of general reserves is recommended to remain at a level of at least £1.6 million across the MTFs period, which is considered commensurate with significant business risks identified and takes into account specific / earmarked reserves that have been established to mitigate against the most significant risks facing the authority.
- 12.3 Members will note that it is best practice to only use reserves in support of capital and one-off revenue items. Reserves should not generally be used to support ongoing revenue expenditure, with earmarked reserves normally being set aside to deliver specific projects, to mitigate against known risks, or to smooth expenditure (such as on elections) which does not fit in to an annual financial cycle. As such the majority of the council's earmarked reserves are not available to provide general support for the budget.

**Table 8: Forecast Reserves Forecast**

	<b>General Reserves £000</b>	<b>2023/24 Earmarked Reserves £000</b>	<b>2024/25 Earmarked Reserves £000</b>	<b>2025/26 Earmarked Reserves £000</b>	<b>2026/27 Earmarked Reserves £000</b>
<b>Estimated Opening Balance</b>	1,278	24,963	24,339	20,678	19,101
<b>Estimated transfer to / (from) during the year</b>	390	(624)	(3,661)	(1,577)	(1,088)
<b>Estimated Closing Balance</b>	1,668	24,339	20,678	19,101	18,013

### **13. Financial Considerations**

*This section has been approved by the following member of the Finance Team: James Hopwood.*

- 13.1 This report deals solely with financial matters.

### **14. Legal Considerations**

*This section has been approved by the following member of the Legal Team: John Teasdale.*

- 14.1 There are no direct significant legal issues arising from this report. This report complies with a number of statutory requirements, such as:
- 14.2 The provisions of the Local Government Finance Act 1992 (LGFA 1992), which set out what the council has to base its budget calculations upon, and require the Council to set a balance budget with regard to the advice of its Chief Finance Officer. The setting of the budget is a function reserved to Full Council.
- 14.3 Section 25 of the Local Government Act 2003 requires that the Council in setting its budget, must have regard to the report of the Chief Finance Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 14.4 Section 30(6) LGFA 1992 requires the Council to set its budget before 11 March in the financial year preceding the one in respect of which the budget is set.
- 14.5 Section 151 of the Local Government Act 1972 places a general requirement and duty on local authorities to make arrangements for 'the proper administration of their financial affairs.'

### **15. Equality and Health**

- 15.1 The Medium Term Financial Strategy is linked to Service Plans, which have been subject to Equalities Impact Assessments.

### **16. Data Protection Implications – Data Protection Impact Assessment (DPIA)**

- 16.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');

- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

16.2 Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA.

## **17. Human Rights**

17.1 There are no Human Rights issues arising from this report.

## **18. Conclusions**

18.1 As well as supporting the continued delivery and improvement of our existing services, this Medium Term Financial Strategy makes provision for significant investment in the Borough. Subject to the assumptions made and the risks identified the Chief Financial Officer's view is that the budget includes estimates, which can only be based on circumstances and events which are reasonably foreseeable at the time of preparing the budget. The budget has been prepared following extensive discussion between Chief Officers, Managers and leading Members. It also acknowledges that both the planned reforms to local government finance, demand for supported housing and current economic conditions have created a high degree of uncertainty within our financial planning. Subject to risks set out in this report, the Chief Finance Officer is of the view that the budget provides a robust basis for managing the council's finances in the years 2024/25 to 2026/27.

18.2 The budget takes appropriate account of external demands, service pressures and the impact of the capital programme to the extent that it can be ascertained at this time. It leaves the council with an appropriate level of reserves. Although it also highlights that subject to the outcome of the local authority funding reforms further savings are likely to need to be delivered in the medium to longer term in order to reduce the reliance on one-off resources and to ensure the council's financial sustainability in the longer term.

18.3 Both the Asset Management and Capital Strategy and the Treasury Management Strategy inform the MTFS and should enable the council to move forward and meet its objectives.

18.4 Members note the extent of the financial uncertainties and associated risks ahead, and that the budget is balanced for 2024/25. For 2025/26 onwards the budget is provisionally balanced by a planned drawdown from the New Homes Bonus reserve pending the outcome of the local government finance reforms.

## **19. Recommendation**

19.1 To approve the Medium Term Financial Strategy 2024/25 to 2026/27, which includes the revenue budget, capital programme and the Asset Management and Capital Strategy; and that the level and appropriateness of reserves be noted.

## **20. Background Papers**

20.1 Provisional Local Government Finance Settlement 2024/25 – December 2023.

Local Government Finance Settlement 2024/25

20.2 CIPFA Resilience Index 2023: [Resilience index \(cipfa.org\)](https://www.cipfa.org/resilience-index)

**24. Appendices**

Appendix A: Detailed Budget Summary 2024/25 – 2026/27

Appendix B: Capital Programme

Appendix C: Asset Management and Capital Strategy 2024/25



**MEDIUM TERM FINANCIAL STRATEGY  
SUMMARY 2024/25 – 2026/27**

2022/23 Budget £'000	Budget Summary	2024/25 Budget £'000	2025/26 Budget £'000	2026/27 Budget £'000
	<b>Service Budgets by Portfolio</b>			
3,777	Leader of the Council	3,972	4,023	4,129
1,238	Tourism and Cultural Development Communities and Regulatory Services	1,399	1,476	1,376
1,613		1,854	1,878	1,925
6,805	Environment and Climate Change	7,549	6,817	6,781
682	Finance and Treasury Management	1,187	1,631	1,716
694	Regeneration and Development	491	602	422
831	Corporate Items	342	342	342
<b>15,640</b>	<b>Total Revenue Budget</b>	<b>16,794</b>	<b>16,769</b>	<b>16,691</b>
(5,302)	Retained Business Rates	(6,461)	(5,195)	(5,265)
(116)	Revenue Support Grant	(124)	(127)	(130)
(716)	Funding Guarantee Grant	(840)	(1,482)	(1,267)
(129)	Services Grant	(20)	(20)	(20)
(973)	New Homes Bonus Grant	(1,112)	0	0
(214)	Share of Council Tax (Surplus)/Deficit	(59)	0	0
(18)	Other	0	0	0
0	Contribution to General Reserves	140	0	0
0	Transfer To / (From) New Homes Bonus Reserve	264	(953)	(587)
<b>8,172</b>	<b>Net Revenue Budget</b>	<b>8,582</b>	<b>8,992</b>	<b>9,422</b>
(445)	Special Expenses	(451)	(451)	(451)
<b>7,727</b>	<b>Amount to be raised by Council Tax</b>	<b>8,131</b>	<b>8,541</b>	<b>8,971</b>
2.98%	Council Tax Increase (Band D)	2.98%	2.98%	2.98%

**Capital Programme 2024/25 to 2027/28**

Project	Revised 23/24	2024/25 MTFS Approved	2025/26 MTFS Approved	2026/27 MTFS Proposed	2027/28 MTFS Proposed	Total
Main Stream Capital Expenditure Budget by Portfolio	£'000	£'000	£'000	£'000	£'000	£'000
<b>Leader of the Council</b>						
Assets - Mandatory Works (Elms Lodge)	24					24
ICT - SQL Licence	35					35
ICT - WIFI	26					26
Yeoman Industrial Estate (Shutters)	120					120
Webcasting Streaming Equipment	50					50
<b>New Bids</b>						
ICT VOIP Host servers		15				15
ICT Hyper V servers		16				16
84/85 New St Refurbishment		65				65
<b>Tourism &amp; Cultural Development</b>						
Brewhouse Roof repairs		194				194
Uttoxeter Sports Hub - Feasibility Study						
Uttoxeter Sports Hub		1,710				1,710
<b>New Bids</b>						
Burton Market Hall Roof and condition repairs		431		76	70	577
Orton & Spooner Carving Restoration		29				29
Meadowside LC (Swimming Pool Support Fund)		530				530
<b>Community &amp; Regulatory Services</b>						
Neighbourhood working Fund	3					3
Disabled Facility Grants	1,200	3,156	1,160			5,516
Community Regeneration Fund	106					106
CCTV Upgrade	119					119
Local Authority Housing Fund Scheme	980					980
Local Authority Housing Fund (LAHF) 2	700					700
Housing - Kick Start Loans						
<b>New Bids</b>						
Community Regeneration Fund		100				100
<b>Environment &amp; Climate Change</b>						
EV Charging Points (Contribution to SCC)		19				19
(Stapenhill) Cemetery Expansion	10	276				286
Stapenhill Cemetery Road Improvements	55	38	38			131
Branston Water Park - Toilets Refurbishment		75				75
Open Spaces - Hanging Basket Replacements	12					12
Fleet Replacement (sweepers)		291				291
Fleet Replacement (Refuse Vehicles)		705				705
<b>New Bids</b>						
Burton Boxing Club replacement roof		95				95
Council building modernisation investment and decarbonisation works to council buildings / estate		1,029	1,686	400	269	3,384
Procurement of a dedicated Fly-Tipping collection vehicle		150				150
The Refurbishment of Bradley Street Toilets, Uttoxeter		85				85
Equipment to support Food Waste Collections		986				986

Project	Revised 23/24 £'000	2024/25 MTFS Approved £'000	2025/26 MTFS Approved £'000	2026/27 MTFS Proposed £'000	2027/28 MTFS Proposed £'000	Total £'000
<b>Regeneration &amp; Development</b>						
Small Business Fund / Business Spring Board Boost Grant Scheme	29					29
Washlands Enhancement Project	560	2,202				2,762
Planning Assure IT System	0	50				50
Tutbury S106 Grant Scheme	38	89				127
Maltings Precinct - Uttoxeter Master Plan - UKSPF allowance	341	1,100				1,441
Uttoxeter Master Plan	800	1,000				1,800
Bass House	10	234				244
Ward Enhancement - UKSPF	171	1,879				2,050
<b>Total Mainstream Capital Expenditure Budget</b>	<b>5,388</b>	<b>16,549</b>	<b>2,884</b>	<b>476</b>	<b>339</b>	<b>25,635</b>
<b>Towns Fund</b>						
Towns Fund - Project D High Street	391	13,544	646			14,581
Towns Fund - Project E Library and Enterprise Hub	1					1
Towns Fund – Project F Bridge	1					1
Towns Fund – Project G Canal Towpath Improvements	1,635	463				2,098
Towns Fund – Project H Cycle Network Enhancements	413	1,068				1,481
Towns Fund – Project J Specialist Education Offer	3,502					3,502
<b>Total Towns Fund</b>	<b>5,943</b>	<b>15,075</b>	<b>646</b>			<b>21,664</b>
<b>Total Capital Programme</b>	<b>11,331</b>	<b>31,624</b>	<b>3,530</b>	<b>476</b>	<b>339</b>	<b>47,300</b>
<b>Financed By</b>						
Capital Reserves	1,240	5,846	38	76	70	7,269
DRF	50					50
Capital Receipts	109	19				128
Government Grants	9,783	21,366	1,806			32,955
Section 106	38	3,189				3,227
External Contributions	113					113
Borrowing		1,204	1,686	400	269	3,559
<b>Total Funding</b>	<b>11,331</b>	<b>31,624</b>	<b>3,530</b>	<b>476</b>	<b>339</b>	<b>47,300</b>