

30<sup>th</sup> November 2023

### REPORT OF THE LEADER OF THE COUNCIL

#### DRAFT BASE BUDGET FORECASTS 2024/25 to 2028/29

##### **Purpose**

To inform Members of the re-priced base budget for 2024/25, base budget forecasts for the period 2024/25 to 2028/29 (the 5 Year Medium Term Planning Period) and the underlying assumptions and to consider the future strategy to address the financial trends.

##### **Recommendations**

###### **That:**

- 1. the technical adjustments and re-priced base budget figures for 2024/25 and indicative budgets to 2028/29 be approved (as attached at Appendix B, C, D, E, F, G and H);**
- 2. consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;**
- 3. consideration be given to the planned changes to Council Tax and Housing Rent for 2024/25, as detailed within the report;**
- 4. in compliance with the Constitution of the Council, note that the Leader's Budget Workshop were due to consider the budget proposals contained within this report on 29<sup>th</sup> November 2023.**

##### **Executive Summary**

The following detailed budget information is contained within the report:

**Re-priced base budget information (and the associated technical adjustments) for 2024/25 in respect of the General Fund (GF) and Housing Revenue Account (HRA);**

**A five year, medium term financial forecast for the General Fund and HRA;**

**The associated strategy to address the financial trends and projection;**

**The Provisional Capital Programmes for the General Fund and Housing Revenue Account for the period 2024/25 to 2028/29.**

When Council approved the 2023/24 Budget and Medium Term Financial Strategy in February 2023, the ongoing impact of the Covid-19 pandemic on the economy and ultimately the impact for the Council's finances was uncertain - including any lasting effects for individual businesses and their employees.

Significant uncertainties around the Council's finances remain, pending an update on the planned fair funding review (& business rates reset), as well as significant cost pressures arising from the current economic situation – Members will face difficult decisions around prioritising services, when faced with significant reductions in funding.

On 12th December 2022, the Secretary of State for Levelling Up, Communities and Local Government published a written ministerial statement which was accompanied by a policy statement on the 2023/24 local government finance settlement and assumptions about the 2024/25 local government finance settlement.

This statement came ahead of the 2023/24 provisional local government finance settlement announcement, which was published in December 2022, detailing local authority-level figures for 2023/24.

The Government has set out some planning assumptions for the 2024/25 local government finance settlement as follows:

- The Review of Relative Needs and Resources ('Fair Funding Review') and a reset of Business Rates growth will not be implemented in 2024/25.
- The council tax referendum principles will continue the same as 2023/24.
- Revenue support grant will continue and be uplifted in line with baseline funding levels (assumed now to be now based on September 2023 CPI), while social care grants will increase.
- Business rates pooling will continue.
- The Government will set out the future position of New Homes Bonus ahead of the 2024/25 local government finance settlement.

This settlement represents a 'holding position' until the next Parliament, aiming at stability. The ruling out of a business rates reset, or a fair funding review, means that the funding distribution will stay fairly stable (with the exception of Extended Producer Responsibility funding). But this means that the big questions about the future of the funding system remain unaddressed one way or another.

While this means the Council will be able to retain its business rate growth for 2023/24 and 2024/25, it also means that the uncertainty continues and potentially the Council still faces losing this growth from 2025/26.

**There is a high risk that these reforms will have a significant effect on the Council's funding level from 2025/26.**

There are also further uncertainties arising from current cost pressure and inflationary increases which have compounded the likely price increases for supplies that are required for building or construction/maintenance works.

It is anticipated that amendments to the Decent Homes Standard will look at building safety and energy efficiency for Council Housing. The cost is likely to be significant and could mean exploration of new ways of funding such as the application of service charges and support through available grants.

An increase in the cost of repairs has been included in the MTFs due to the current market cost pressures. The RICS through their Building cost indicator service (BCIS) are predicting increasing tender prices over the next 5 years so this is likely to impact on

existing contracts. There is the risk that if costs continue to increase in excess of CPI, contractors will seek further uplifts. The impact on planned work is that less work will be done, this will extend the renewal period for key components which will increase demand on responsive repairs. The volume of responsive repairs is unlikely to change.

Income from the commercial/industrial portfolio has held up during the pandemic, but underlying market issues and the increase in online shopping (increased by the pandemic) mean that there is an immediate risk in relation to the income achievable from the Council's commercial property portfolio, which while not known at present, could result in a significant loss of income.

Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance.

The overriding goal is to make sure our organisation remains fit for the future, while protecting services to the most vulnerable in our community.

The Recovery & Reset Programme package of savings originally reported in July 2022 estimated savings to be in the region of c£3.5m over 5 years; £2.8m of which was unbudgeted capital costs for continuing to occupy Marmion House.

As part of the update report to Cabinet on 10th November 2022, including those already built into the medium-term financial plan, the revised programme potentially delivers efficiencies of c£5.1m over the next 5-year medium term. This includes the c£3.5m already identified; plus, an additional £1.6m already delivered through the service re-design project within the programme.

In light of the base budget and MTFS forecast considered by Cabinet on 1st December 2022, following the Leaders Budget Workshop on 30th November 2022, Managers were asked to identify further areas for potential savings – which have now been included in the policy changes, amounting to c.£1.8m over 5 years.

Corporate Management Team (CMT) and Cabinet review the most up-to-date budget forecasts on a quarterly basis, and discuss the delivery of the planned savings to support our Medium Term Financial Strategy (MTFS).

### **Updated Forecasts**

As a result of the updated base budget forecast during October 2023, the forecast projections now identify General Fund balances of £4.9m by 2025/26 (compared to £1.1m as part of the approved MTFS forecast in February 2023), a shortfall of £0.2m by 2026/27 (compared to a shortfall of £4.1m), a shortfall of £4.7m by 2027/28 (compared to a shortfall of £9m), with a shortfall of £9.5m by 2028/29.

With regard to the Housing Revenue Account, a 5 year MTFS was approved by Council including significant investment in meeting future housing needs to sustain the HRA in the longer term.

As a result of the updated forecast at quarter 2, October 2023, the forecast projections now identify HRA balances of £4.5m by 2025/26 (compared to £2.8m as part of the

approved MTFFS forecast in February 2023), £6m by 2026/27 (compared to £2.4m), £7.8m by 2027/28 (compared to £2.2m), with balances of £8.5m by 2028/29.

This includes the additional cost pressures of £81k p.a over 5 years identified to date in the proposed HRA policy changes but it does not include the anticipated cost pressures for the HRA capital programme arising from the ongoing work in updating the 30 year HRA business plan). Early indications from the modelling are a potential shortfall over 30 years of £37m plus a significant and unsustainable increase in HRA debt levels arising from the capital programme pressures (of over £376m over 30 years).

The increased cost pressures currently being experienced will have an impact on the level of rent increase for 2024/25. The MTFFS included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%. Given the current level of CPI of 6.7% (September 2023), the budgeted increase for 2024/25 will be 7.7% (based on the forecast CPI inflation rate for September 2023) in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) - in order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years). However, for 2023/24 DLUHC implemented of a rent cap 7% (with alternative options of 3% or their preferred 5% indicated).

From indications last year that a cap may also be considered for 2024/25, together with a likely increase of over 7%, there is a possibility that DLUHC may consult on capping again (e.g. at a 5% capped increase, the annual rent loss would equate to £578k, £3million over 5 years).

The key uncertainties which will inform further budget considerations before the final budget proposals are developed are:

- Future Government financial support and Revenue Support Grant levels for future years - the budget setting process has faced significant constraints in Government funding in recent years - following years of austerity.

On 12<sup>th</sup> December 2022, the Secretary of State for Levelling Up, Communities and Local Government published a written ministerial statement which was accompanied by a policy statement on the 2023/24 local government finance settlement and assumptions about the 2024/25 local government finance settlement.

This statement came ahead of the 2023/24 provisional local government finance settlement announcement, which was published in December 2022, detailing local authority-level figures for 2023/24.

The Government has set out some planning assumptions for the 2024/25 local government finance settlement as follows:

- The Review of Relative Needs and Resources ('Fair Funding Review') and a reset of Business Rates growth will not be implemented in the next two years (2023/24 and 2024/25).
- The council tax referendum principles will continue the same as 2023/24.

- Revenue support grant will continue and be uplifted in line with baseline funding levels (assumed now to be now based on September 2023 CPI), while social care grants will increase as set out in the table above.
- Business rates pooling will continue.
- The Government will set out the future position of New Homes Bonus ahead of the 2024/25 local government finance settlement.

This settlement represents a 'holding position' until the next Parliament, aiming at stability. The ruling out of a business rates reset, or a fair funding review, means that the funding distribution will stay fairly stable (with the exception of Extended Producer Responsibility funding). But this means that the big questions about the future of the funding system remain unaddressed one way or another.

While this means the Council will be able to retain its business rate growth for 2023/24 and 2024/25, it also means that the uncertainty continues and potentially the Council still faces losing this growth from 2025/26.

**There is a high risk that these reforms will have a significant effect on the Council's funding level from 2025/26.**

There are also further uncertainties arising from current cost pressure and inflationary increases which have compounded the likely price increases for supplies that are required for building or construction/maintenance works.

In addition, there are significantly increased interest rates, and it can be expected that this will have a negative effect on the price of goods and services but a positive effect from the return from the Council's Treasury investments.

Energy efficiency is likely to be a significant feature across all of our property portfolio including Council Housing. The commitment to achieve zero carbon within our own operations will present difficulties when considering our historic buildings like the Assembly Rooms, Castle and Town Hall. It is likely that investment in the property portfolio will be needed which has not yet been quantified and will need to be considered in future, in line with the Corporate Capital Strategy objectives.

It is anticipated that amendments to the Decent Homes Standard will look at building safety and energy efficiency for Council Housing. The cost is likely to be significant and could mean exploration of new ways of funding such as the application of service charges and as included within the 2022/23 capital programme, through grants available.

An increase in the cost of repairs has been included in the MTFs due to the current market cost pressures. The RICS through their Building cost indicator service (BCIS) are predicting increasing tender prices over the next 5 years so this is likely to impact on existing contracts. There is the risk that if costs continue to increase in excess of CPI, contractors will seek further uplifts. The impact on planned work is that less work will be done, this will extend the renewal period for key components which will increase demand on responsive repairs. The volume of responsive repairs is unlikely to change.

Income from the commercial/industrial portfolio has held up during the pandemic, but underlying market issues and the increase in online shopping (increased by the pandemic) mean that there is an immediate risk in relation to the income achievable from the Council’s commercial property portfolio, which while not known at present, could result in a significant loss of income.

- For 2021/22 a 1.75% increase in Local Government pay was agreed. For 2022/23, an offer of a £1,925 increase on all pay points was subject to union ballot and subsequently agreed. For 2024/25 the same increase of £1,925 has also recently been agreed. Future years remain uncertain but a 4.0% increase has been assumed for 2024/25 with annual increases of 2% p.a. from 2025/26.
- Challenge to continue to achieve high collection rates for council tax, business rates and housing rents – in light of the welfare benefit reforms and the impact of the current cost pressures on economic conditions and uncertainty.

### Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2024/25 and future years have been modelled / considered.

<b>Council Tax</b>	<b>Option Modelled / Considered</b>
<b>Model 1</b>	<b>£5.00 (2.5%) increase in Council tax in 2024/25 (followed by increases of £5.00 p.a.)</b>
Model 2	5.1% increase (£10.00 in 2024/25) in Council tax in 2024/25 (followed by increases of £5.00 p.a.)
Model 3	£1 increase (0.5%) in Council tax in 2024/25 (followed by increases of £1 p.a.)
Model 4	7.1% (£14.00 in 2024/25) increase in Council tax in 2024/25 (followed by increases of £5.00 p.a.)
Model 5	0% increase in Council tax in 2024/25 (followed by increases of 0% thereafter)
Model 6	2.99% increase (£5.89 in 2024/25) in Council tax in 2024/25 (followed by increases of 2.99% thereafter)

<b>Rent</b>	<b>Option Modelled / Considered</b>
CPI plus 1%	The Government previously confirmed that social housing rents can increase to include ‘up to’ a factor of the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard
CPI	General increase in line with CPI
Cap at 3%	DLUCH consulted on the implementation of a rent cap in 2023/24 (& potentially 2024/25) at 3%, 5% or 7% (subsequently confirmed at 7% for 2023/24). No update has been received for 2024/25.
Cap at 5%	
Cap at 7%	
No increase	No general increase in annual rent

### Resource Implications

The detailed financial and budgetary implications are outlined within the report.

As a result of the updated base budget forecast during October 2023, the forecast projections now identify General Fund balances of £4.9m by 2025/26 (compared to £1.1m as part of the approved MTFs forecast in February 2023), a shortfall of £0.2m by 2026/27 (compared to a shortfall of £4.1m), a shortfall of £4.7m by 2027/28 (compared to a shortfall of £9m), with a shortfall of £9.5m by 2028/29.

With regard to the Housing Revenue Account, a 5 year MTFs was approved by Council including significant investment in meeting future housing needs to sustain the HRA in the longer term.

As a result of the updated forecast at quarter 2, October 2023, the forecast projections now identify HRA balances of £4.5m by 2025/26 (compared to £2.8m as part of the approved MTFs forecast in February 2023), £6m by 2026/27 (compared to £2.4m), £7.8m by 2027/28 (compared to £2.2m), with balances of £8.5m by 2028/29.

This includes the additional cost pressures of £81k p.a. over 5 years identified to date in the proposed HRA policy changes but it does not include the anticipated cost pressures for the HRA capital programme arising from the ongoing work in updating the 30 year HRA business plan. Early indications from the modelling are a potential shortfall over 30 years of £37m plus a significant and unsustainable increase in HRA debt levels arising from the capital programme pressures (of over £376m over 30 years).

### Legal / Risk Implications

The Council's constitution requires Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals will be referred to the Joint Scrutiny Committee (Budget) for further advice and consideration.

In line with the constitution a Leaders Budget Workshop has been arranged for 29<sup>th</sup> November. In order to allow Scrutiny Committees to respond to the Cabinet on the outcome of their deliberations, a meeting of the Scrutiny Committee (Budget) has been arranged for 31<sup>st</sup> January 2024. Proposed amendments to the 2023/24 base budget, approved by Council on 23<sup>rd</sup> February 2023, are detailed within the report.

Risks to Capital and Revenue Forecasts:

<b>Risk</b>	<b>Control Measure</b>
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); <b>(High)</b>	Sensitivity modelling undertaken to assess the potential impact in the estimation of future Government support levels; <b>(High / Medium)</b>
Potential 'capping' of council tax increases by the Government or local Council Tax veto / referendum; <b>(Medium)</b>	Current indications are that increases of 3% or £5 for District Councils risk capping in 2024/25; <b>(Low)</b>
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast;

<b>Risk</b>	<b>Control Measure</b>
through years 4 to 5. Ongoing; <b>(High)</b>	<b>(High/Medium)</b>
Pay awards greater than forecast; <b>(Medium)</b>	An offer of £1,925 for 2023/24 has been agreed. Increases of 2.0% p.a. assumed from 2025/26 following 4% in 2024/25; <b>(High / Medium)</b>
Pension costs higher than planned / adverse performance of pension fund; <b>(Medium)</b>	Regular update meetings with Actuary; Following an option to 'freeze' the 'lump sum' element for the 3 years from 2020/21 (after the triennial review during 2019), with a further freeze to 2025/26 followed by 1% p.a. year on year increases included from 2026/27; <b>(Medium/Low)</b>
Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;  New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation; <b>(High)</b>	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;  Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;  Monitoring of the situation / regular reporting; <b>(High / Medium)</b>
Local Council Tax Reduction scheme potential yield changes and maintenance of collection levels due to increases in unemployment caused by the pandemic; <b>(High)</b>	Robust estimates included. Ongoing proactive management & monitoring (including a quarterly health check on the implications on the organisation – capacity / finance) will continue; <b>(High / Medium)</b>
Achievement of income streams in line with targets in light of the economic conditions e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; <b>(High / Medium)</b>	Robust estimates using a zero based budgeting approach have been included; <b>(Medium)</b>
Continue to achieve high collection rates for council tax, business rates and housing rents – in light of the welfare benefit reforms and the impact of the current cost pressures on economic conditions and uncertainty <b>(Medium)</b>	Robust monitoring and evaluation of the situation <b>(Medium)</b>
Impact of potential conflict in Middle East resulting in volatile financial markets/impact on oil prices and consequential inflation/energy price increases. <b>(High / Medium)</b>	Robust monitoring and evaluation of the situation <b>(Medium)</b>
Delivery of the capital programme (GF /	Robust monitoring and evaluation – should



<b>Risk</b>	<b>Control Measure</b>
HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); <b>(High / Medium)</b>	funds not be available then schemes would not progress; <b>(Medium)</b>
Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). <b>(High / Medium)</b>	Memorandum of Understanding in place with LDC. <b>(Medium)</b>
Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such. <b>(High / Medium)</b>	Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. <b>(Medium)</b>
Significant financial penalties arising from the implementation of the General Data Protection Regulations (GDPR). <b>(High / Medium)</b>	Implementation plan in place with corporate commitment and good progress. <b>(Medium)</b>
Property funds are not risk free - as such a risk based approach will need to be adopted – to balance risk against potential yield or return. Based on past performance there is the potential for returns of c.4% p.a. but this is not guaranteed.  The value of the funds are also subject to fluctuation – which could mean a capital loss in one year (as well as expected gains).  The initial cost associated with the purchase of the investment in the funds is expected to be in the region of 5% - which would have to be recovered over the life of the investment (either from annual returns or capital appreciation). There is a real risk of a revenue loss therefore in the first year.  <b>(High/Medium)</b>	Any investment in funds which are deemed as capital expenditure will require the necessary capital programme budgets to be approved by full Council. Risk is inherent in Treasury Management and as such a risk based approach will need to be adopted – to balance risk against potential yield or return. It is suggested that risk be mitigated (although not eliminated) through investment in a diversified portfolio using a range of property funds.  The Council used the secondary market for purchases to potentially gain access to a fund at a lower level of cost than via the primary route. Mitigation regulations are in place to defer any potential principal loss for 5 years.  Property Fund investment review carried out 2021. <b>(Medium)</b>

### Report Author

If Members would like further information or clarification prior to the meeting please contact Rebecca Smeathers Executive Director Finance ext. 242 or Joanne Goodfellow, Assistant Director Finance ext. 241.

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2023/24, Council 23 <sup>rd</sup> February 2023
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	Budget and Medium Term Financial Planning Process 2024/25, Cabinet 31 <sup>st</sup> August 2023
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## Base Budget Forecast 2024/25 to 2028/29

Revisions / updates have been made to the 2023/24 base budget in order to produce an adjusted base for 2024/25 and forecast base for 2024/25 onwards.

### General Fund Revenue

*Forecast* – When the budget for 2023/24, and indicative budgets for 2024/25 to 2025/26, were approved by Council in February 2023 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 3 year period.

As a result of the updated base budget forecast during October 2023, the forecast projections now identify General Fund balances of £4.9m by 2025/26 (compared to £1.1m as part of the approved MTF5 forecast in February 2023), a shortfall of £0.2m by 2026/27 (compared to a shortfall of £4.1m), a shortfall of £4.7m by 2027/28 (compared to a shortfall of £9m), with a shortfall of £9.5m by 2028/29.

The forecast has been updated to include:

<b>Change:</b>	<b>Budget Impact</b>
<b><i>Savings / increased income</i></b>	
Increased balances b/f from 2022/23 due to additional underspend	£(445)k 22/23 only
Projected outturn Q2 2023/24	£(1.411)m 23/24 only
Reduced electricity and gas costs following notification from Utility framework	£(330)k pa from 24/25
Increased treasury management income from investment interest	£(443)k 24/25
National Insurance revision to 10% following reversal of Social Care levy	c.£(30)k pa from 24/25
Fees & Charges additional income arising from changes approved from 1/4/23	£(76)k pa from 24/25
<b><i>Additional costs / reduced income</i></b>	
Revenue impact of FHSF increased capital spend financed from retained capital receipts	£120k pa
Increased pay award	c. £220k pa from 24/25
Proposed Policy Changes	£1.8m over 5 years (c.£0.3m p.a.)

- For future years from 2025/26, it has been assumed that the retained growth will be redistributed as part of the business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will only retain the Government assessed Business Rates Baseline. The reset may yet be delayed until 2026/27 or beyond;
- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to

review, confirm & resubmit by the end of September.

Balances held within earmarked reserves for Transformation and Business rates retention will also be available to support the development of the budget and MTFS.

### ***Implications & Options***

Consideration of the level of Council tax increases over the 5-year period is also needed to account for potential 'capping' by the Government or a local referendum / veto and to ensure that balances are maintained at the minimum approved level of £0.5m.

Decisions on future funding will need to be made with reference to the Council's Corporate Priorities together with the feedback & issues raised by the budget consultation exercise. There is a need to consider how the limited resources can be 'prioritised' (& whether service improvements in a priority area should be met from service reductions elsewhere).

Responses / indications from Scrutiny Committees on priority areas for the future allocation of resources will be sought, as part of the consultation required by the constitution.

### **Housing Revenue Account**

*Forecast* – When the budget for 2023/24, and indicative budgets for 2024/25 to 2028/29, were approved by Council in February 2023 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 5-year period.

With regard to the Housing Revenue Account, a 5 year MTFS was approved by Council including significant investment in meeting future housing needs to sustain the HRA in the longer term.

As a result of the updated forecast at quarter 2, October 2023, the forecast projections now identify HRA balances of £4.5m by 2025/26 (compared to £2.8m as part of the approved MTFS forecast in February 2023), £6m by 2026/27 (compared to £2.4m), £7.8m by 2027/28 (compared to £2.2m), with balances of £8.5m by 2028/29.

This includes the additional cost pressures of £81kp.a. over 5 years identified to date in the proposed HRA policy changes but it does not include the anticipated cost pressures for the HRA capital programme arising from the ongoing work in updating the 30 year HRA business plan. Early indications from the modelling are a potential shortfall over 30 years of £37m plus a significant and unsustainable increase in HRA debt levels arising from the capital programme pressures (of over £376m over 30 years).

The forecast has been updated to include:

<b>Change:</b>	<b>Budget Impact</b>
<b><i>Savings / increased income</i></b>	
NI revision to 10%	c.£(9)k pa from 24/25
Reduction in RCCO from depreciation & increase from affordable rent	£(1.5)m pa from 24/25
Revised gas and electricity costs	£(255)k pa from 24/25
Projected outturn Q2 2023/24	£(40)k 23/24 only
Rent increase 7.7% plus additional rent week	£(1.5)m 24/25
<b><i>Additional costs / reduced income</i></b>	
Updated balances b/f from increased overspend	£1.669m 22/23 only
Increased pay award	c.£84k pa from 24/25
Increased depreciation & RCCO from affordable rent	£1.5m pa from 24/25
Proposed Policy Changes	£81k from 24/25

## Detailed Considerations

### Base Budget Forecasts 2024/25 to 2028/29

Revisions / updates have been made to the 2022/23 base budget in order to produce an adjusted base for 2024/25 and forecast base for 2024/25 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

- virements approved since the base budget was set;
- the removal of non-recurring budgets from the base;
- the effect of inflation;
- changes in payroll costs and annual payroll increments;
- changes in expenditure and income following decisions made by the Council;
- other changes outside the control of the Council such as changes in insurance costs and reduction in grant income;
- The 'Zero base budgeting' review of income levels.

### General Fund – Technical Adjustments Summary

<b>Technical Adjustments</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>
Base Budget B/Fwd	8,806	8,083	11,878	12,117	12,469
Committee Decisions	(183)	1,866	(57)	25	0
Inflation	21	35	30	45	46
Other	(812)	1,412	(37)	2	134
Pay Adjustments (Including pay award / 7.5% reduction for vacancy allowance)	251	482	303	280	265
Revised charges for non-general fund activities	0	0	0	0	0
Virements	0	0	0	0	0
<b>Total / Revised Base Budget</b>	<b>8,083</b>	<b>11,878</b>	<b>12,117</b>	<b>12,469</b>	<b>12,914</b>

The technical adjustments are shown in detail at **Appendix B** with a summary by Directorate at **Appendix D**. The key assumptions made during the exercise are summarised at **Appendix A**.

## Future Revenue Support Grant & Business Rate Income

On 6<sup>th</sup> February 2023, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), Rt. Hon. Michael Gove MP, released a written statement to Parliament regarding the final local government finance settlement 2023/24.

The updated National Core Spending Power figures are detailed below and include the Settlement Funding Assessment (SFA); Council Tax; the Improved Better Care Fund; New Homes Bonus (NHB); Transitional Grant; Rural Services Delivery Grant; the Lower Tier Services Grant and the Adult Social Care Support Grant. The table shows the national changes to Core Spending Power between 2015/16 and 2023/24. It shows an increase of 9.4% for 2023/24 and an overall increase for the period 2015/16 to 2023/24 of 32.9%.

<b>Core Spending Power National Position</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Settlement Funding Assessment	21,250	18,602	16,633	15,574	14,560	14,797	14,810	14,882	15,671
Under-indexing business rates multiplier	165	165	175	275	400	500	650	1,275	2,205
Council Tax	22,036	23,247	24,666	26,332	27,768	29,227	30,327	31,922	33,928
Improved Better Care Fund	-	-	1,115	1,499	1,837	2,077	2,077	2,140	2,140
New Homes Bonus	1,200	1,485	1,252	947	918	907	622	556	291
Rural Services Delivery Grant	16	81	65	81	81	81	85	85	95
Lower Tier Services Grant	-	-	-	-	-	-	111	111	-
Services Grant	-	-	-	-	-	-	-	822	484
Transition Grant	-	150	150	-	-	-	-	-	-
Adult Social Care Support Grant	-	-	241	150	-	-	-	-	-
Winter pressures Grant	-	-	-	240	240	-	-	-	-
Social Care (Support) Grant	-	-	-	-	410	1,410	1,710	2,346	3,852
Market Sustainability & Fair Cost of Care	-	-	-	-	-	-	-	162	-
ASC Market Sustainability & Improvement Fund	-	-	-	-	-	-	-	-	562
ASC Discharge Fund	-	-	-	-	-	-	-	-	300

Grants Rolled In	209	257	248	239	232	232	238	239	-
Funding Guarantee	-	-	-	-	-	-	-	-	133
<b>Core Spending Power</b>	<b>44,876</b>	<b>43,986</b>	<b>44,544</b>	<b>45,337</b>	<b>46,445</b>	<b>49,231</b>	<b>50,611</b>	<b>54,541</b>	<b>59,661</b>
<b>Change %</b>		<b>(2.0)%</b>	<b>1.3%</b>	<b>1.8%</b>	<b>2.4%</b>	<b>6.0%</b>	<b>2.8%</b>	<b>7.8%</b>	<b>9.4%</b>
<b>Cumulative change %</b>		<b>(2.0)%</b>	<b>(0.7)%</b>	<b>1.0%</b>	<b>3.5%</b>	<b>9.7%</b>	<b>12.8%</b>	<b>21.5%</b>	<b>32.9%</b>

Whilst the provisional settlement only shows figures for 2023/24, there will be scope to forecast 2024/25 amounts, given what is known regarding the 2024/25 control totals for funding and the certainty provided regarding the delay to reform to the system (i.e. Fair Funding review and the Business Rates Reset). The planned reforms were due to be in place by 2019/20, were deferred until 2022/23 and have been deferred again until 2025/26. There is a possibility that they may be further delayed until 2026/27 or beyond.

The business rates multiplier was frozen again for 2023/24 at 49.9p. Whilst it will remain unchanged, it is important to understand that, whilst the result is net zero change, there are actually three changes to the multiplier for 2023/24.

Change 1 – A reduction in the multiplier of equal and opposite magnitude to offset the impact of the national change in Rateable Value due to Revaluation 2023 (assumed to reduce it to 46.5p).

Change 2 – The allowance for subsequent appeals from Revaluation 2023 (estimated 3.3%, taking the multiplier to 48.0p).

Change 3 – An element for inflation, assumed at 3.74%, taking the multiplier back to 49.9p.

These changes therefore mean that the inflation within the business rates system is 3.74%, resulting in the corresponding changes to Baseline Need, NNDR Baselines and therefore Top Up /Tariff amounts.

The business rates tariff for Tamworth has been revised to £10,686,850 – which means that due to the retention of business rates growth since 2013 of c.£2m, the Council will benefit from net additional funds for 2023/24 and 2024/25.

While this means the Council will be able to retain its business rate growth, it also means that the uncertainty continues and potentially the Council still faces losing this growth from 2025/26.

**There is a high risk that these reforms will have a significant effect on the Council’s funding level from 2025/26.**

It will be late December when the final situation for 2024/25 will be known - when the Draft Local Government Finance Settlement is published.

For future years (post 2024/25), it has been assumed that there will be an inflationary increase in Revenue Support Grant, as detailed below.



<b>BASE BUDGET</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	£	£	£	£	£	£
Revenue	302,008	308,289	314,455	320,744	327,159	333,703
Support Grant						
% Increase / (Reduction)	55.2%	2.1%	2.0%	2.0%	2.0%	2.0%

## Business Rates

The 2023/24 finance settlement represents the eleventh year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. As in the previous years, the provisional settlement provides authorities with a combination of provisional grant allocations and their baseline figures within the BRR scheme.

Additional monthly monitoring has been implemented since the implementation of business rate retention from 2013/14 – following approval of the NNDR1 form (Business Rates estimates) by Cabinet in January each year.

The latest estimates for 2023/24 indicate additional business rates receivable above the baseline – of which the Council will receive 40% less the Government set tariff payment of c.£10.7m (plus an agreed share of the surplus from the Staffordshire pool arrangement - after deduction of the 25% Central Share, 9% County & 1% Fire & Rescue Authority shares).

For 2025/26 onwards, it has been assumed that the retained growth will be redistributed as part of the business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will retain the Government assessed Business Rates Baseline.

For future years, the Government assessed Business Rates Baseline is detailed below:

<b>BASELINE</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	£	£	£	£	£	£
<b>MTFS Forecast (February 2023):</b>						
Retained Business Rates	13,112,868	13,385,616	15,407,081	15,715,223	16,029,527	16,350,118
Less: Tariff payable	(10,686,850)	(£10,909,136)	(£12,881,072)	(£13,138,694)	(£13,401,467)	(£13,669,497)
Total SFA	2,426,018	2,476,479	2,526,009	2,576,529	2,628,060	2,680,621
% Reduction	3.7%	2.1%	2.0%	2.0%	2.0%	2.0%
<b>Base Budget Forecast (November 2023):</b>						
Retained Business Rates	13,112,868	13,385,616	15,407,081	15,715,223	16,029,527	16,350,118

Less: Tariff payable	(£10,686,850)	(£10,909,136)	(£12,881,072)	(£13,138,694)	(£13,401,467)	(£13,669,497)
Total SFA	2,426,018	2,476,479	2,526,009	2,576,529	2,628,060	2,680,621
<b>% Reduction</b>	<b>3.7%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
<b>Increase / (Decrease)</b>	-	-	-	-	-	-

Due to the variable nature of the BRR element of local authority funding, the baseline settlement no longer provides the absolute funding level for authorities.

The Government's assessed Business Rates Baseline for the authority is only based on an adjusted average income figure, and therefore is not representative of the actual Business Rates Baseline. The business rates forecast income estimates are detailed below:

<b>BASE BUDGET</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	£	£	£	£	£	£
<b>MTFS Forecast (February 2023):</b>						
Retained Business Rates	14,797,200	15,104,982	15,407,081	15,715,223	16,029,527	16,350,118
Less: Tariff payable	(£10,686,850)	(£10,909,136)	(£12,881,072)	(£13,138,694)	(£13,401,467)	(£13,669,497)
Total	4,110,350	4,195,845	2,526,009	2,576,529	2,628,060	2,680,621
% Reduction	44.4%	2.1%	-39.8%	2.0%	2.0%	2.0%
<b>Base Budget Forecast (November 2023):</b>						
Retained Business Rates	14,797,200	15,104,982	15,407,081	15,715,223	16,029,527	16,350,118
Less: Tariff payable	(10,686,850)	(10,909,136)	(12,881,072)	(13,138,694)	(13,401,467)	(13,669,497)
Total	4,110,350	4,195,845	2,526,009	2,576,529	2,628,060	2,680,621
% Reduction	44.4%	2.1%	-39.8%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	-	-	-	-	-	-

\* The reduction in retained business rates for the base budget reflects the assumed re-distribution of accumulated growth with retained business rates falling to baseline from 2024/25.

Based on this Government financial support is shown below:

<b>BASE BUDGET</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	£	£	£	£	£	£
<b>MTFS Forecast (February 2023):</b>						
Revenue Support Grant	302,008	308,290	314,456	320,745	327,160	333,703
Retained Business Rates	14,797,200	15,104,982	15,407,081	15,715,223	16,029,527	16,350,118
Less: Tariff payable	(£10,686,850)	(£10,909,136)	(£12,881,072)	(£13,138,694)	(£13,401,467)	(£13,669,497)
Total	4,412,358	4,504,135	2,840,465	2,897,274	2,955,220	3,014,324
% Reduction	45.1%	2.1%	-36.9%	2.0%	2.0%	2.0%

% RSG Reduction	55.2%	2.1%	2.0%	2.0%	2.0%	2.0%
<b>Base Budget Forecast (November 2023):</b>						
Revenue Support Grant	302,008	308,290	314,456	320,745	327,160	333,703
Retained Business Rates	14,797,200	15,104,982	15,407,081	15,715,223	16,029,527	16,350,118
Less: Tariff payable	(10,686,850)	(10,909,136)	(12,881,072)	(13,138,694)	(13,401,467)	(13,669,497)
<b>Total</b>	<b>4,412,358</b>	<b>4,504,135</b>	<b>2,840,465</b>	<b>2,897,274</b>	<b>2,955,220</b>	<b>3,014,324</b>
<b>% Reduction</b>	<b>45.1%</b>	<b>2.1%</b>	<b>-36.9%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
% RSG Reduction	55.2%	2.1%	2.0%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## New Homes Bonus (NHB)

There remains significant uncertainty over the ongoing funding for the New Homes Bonus scheme, as it has been 'rolled over' for another year, with allocations made for 1 year only. There is no planned legacy payment for 2023/24 (as in 2020/21, 2021/22 and 2022/23).

The Government consulted on the future of the New Homes Bonus in 2021 and set out its intention to hold a consultation on the future of the New Homes Bonus, with a view to implementing reform in 2023/24. No New Homes Bonus income had been forecast for 2023/24 pending the consultation.

However, following the announcement of additional funding for 2023/24, forecasts have subsequently been updated:

<b>BASE BUDGET NHB</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Base Budget Forecast (November 2022)	212,700	-	-	-	-	-
Revised MTFS forecast (December 2022)	917,070	347,127	-	-	-	-
<b>Increased / (Reduced) income</b>	<b>704,370</b>	<b>347,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

No New Homes Bonus income has been forecast for 2024/25 pending the consultation.

## Forecast

Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2024/25 onwards, the five year base budget forecast is as follows:

<b>Summary</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Estimated Net Cost of Services</b>	<b>8,083</b>	<b>11,878</b>	<b>12,118</b>	<b>12,469</b>	<b>12,914</b>
Proposed Policy Changes / Additional Costs Identified	412	366	475	289	291

Net Expenditure	8,495	12,244	12,592	12,759	13,205
<b>Financing:</b>					
RSG	308	314	321	327	334
C'Tax Support Grant (nil Ctax Increase)	-	-	-	-	-
Collection Fund Surplus	33	33	33	33	33
Tariff Payable	(10,909)	(12,881)	(13,139)	(13,401)	(13,669)
Non Domestic Ratepayers	13,864	15,407	15,715	16,030	16,350
Council Tax Income	4,740	4,899	5,060	5,222	5,387
Gross Financing	8,036	7,772	7,990	8,211	8,435
Surplus(-)/Deficit	458	4,472	4,603	4,548	4,771
Balances Remaining (-) / Overdrawn	(9,360)	(4,888)	(286)	4,262	9,033

Per Council, 28 <sup>th</sup> February 2023	(5,870)	(1,105)	-	-	-
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Band D Equivalents	23,479	23,679	23,879	24,079	24,279
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As a result of the updated base budget forecast during October 2023, the forecast projections now identify General Fund balances of £4.9m by 2025/26 (compared to £1.1m as part of the approved MTFs forecast in February 2023), a shortfall of £0.2m by 2026/27 (compared to a shortfall of £4.1m) after taking into account the £0.5m minimum balance requirement, a shortfall of £4.7m by 2027/28 (compared to a shortfall of £9m), with a shortfall of £9.5m by 2028/29.

Balances are forecast to be £8.9m at 31<sup>st</sup> March 2024.

A detailed summary of the budget for 2024/25 is attached at **Appendix F** with 5 years attached at **Appendix G**.

### *Future Strategy*

Due to the adverse financial forecast in the longer term, there is a need to reconsider the inclusion of items contained within the forecast / budget:

#### 1) *Variations to Council Tax Policy/Strategy*

For future years potential 'capping' of the increase by the Government or a proposed local council tax referendum/veto needs to be considered when setting future Council Tax increases. The Council's Council Tax is currently £196.89.

The indication is that the 'capping' threshold for District Councils will be the higher of £5 or 3.0% - following a freeze in 2011/12 & 2012/13 and a below 2% increase from 2013/14 to 2016/17 (followed by c.3% or £5 p.a. to 2023/24).

<b>Council Tax</b>	<b>Option Modelled / Considered</b>
<b>Model 1</b>	<b>£5.00 (2.5%) increase in Council tax in 2024/25 (followed by increases of £5.00 p.a.)</b>
Model 2	5.1% increase (£10.00 in 2024/25) in Council tax in 2024/25 (followed by increases of £5.00 p.a.)
Model 3	£1 increase (0.5%) in Council tax in 2024/25 (followed by increases of £1 p.a.)
Model 4	7.1% (£14.00 in 2024/25) increase in Council tax in 2024/25 (followed by increases of £5.00 p.a.)
Model 5	0% increase in Council tax in 2024/25 (followed by increases of 0% thereafter)
Model 6	2.99% increase (£5.89 in 2024/25) in Council tax in 2024/25 (followed by increases of 2.99% thereafter)

The impact of a £5 p.a. increase (Band D) is outlined below:

**Model 1 Impact of £5 increase in Council Tax in 2024/25 (followed by £5 p.a.)**

Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	459	4,472	4,603	4,547	4,770
<b>Balances Remaining (-) / Overdrawn</b>	<b>(9,364)</b>	<b>(4,892)</b>	<b>(289)</b>	<b>4,258</b>	<b>9,028</b>
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	2.54%	2.48%	2.42%	2.36%	2.31%
Note: Resulting Band D Council Tax	201.89	206.89	211.89	216.89	221.89

Indicating a potential shortfall in General fund balances of approx. £0.2m over 3 years (with a shortfall of £4.7m over 4 years & £9.5m over the 5 year period) - including the minimum approved level of £0.5m.

In order to consider alternative options, the following scenarios have been modelled:

**Model 2 Impact of 5.1% (£10) increase in Council tax in 2024/25 (followed by increases of £5 thereafter)**

Year:	2024/25	2025/26	2025/26	2027/28	2028/29
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Increase in Council Tax £</b>	(117)	(117)	(117)	(117)	(117)
Revised Surplus (-) / Deficit	341	4,355	4,486	4,431	4,654
<b>Balances Remaining (-) / Overdrawn</b>	<b>(9,477)</b>	<b>(5,122)</b>	<b>(637)</b>	<b>3,794</b>	<b>8,448</b>
£ Increase	10.00	5.00	5.00	5.00	5.00
% Increase	5.08%	2.42%	2.36%	2.31%	2.25%
Note: Resulting Band D Council Tax	206.89	211.89	216.89	221.89	226.89

Indicating General fund balances of approx. £0.6m over 3 years (with a shortfall of £4.2m over 4 years & £8.9m over the 5 year period) - including the minimum approved level of £0.5m.

**Model 3 Impact of £1 increase in Council tax (followed by increases of £1 p.a.)**

Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	94	189	285	381	478
Revised Surplus (-) / Deficit	552	4,661	4,888	4,929	5,249
<b>Balances Remaining (-) / Overdrawn</b>	<b>(9,266)</b>	<b>(4,605)</b>	<b>282</b>	<b>5,211</b>	<b>10,460</b>
£ Increase	1.00	1.00	1.00	1.00	1.00
% Increase	0.51%	0.51%	0.50%	0.50%	0.50%
Note: Resulting Band D Council Tax	197.89	198.89	199.89	200.89	201.89

Indicating a potential shortfall in General fund balances of approx. £0.7m over 3 years (with a shortfall of £5.9m over 4 years & £10.9m over the 5 year period) - including the minimum approved level of £0.5m.

**Model 4 Impact of 7.1% (£14.00) increase in Council tax (followed by increases of £5.00 thereafter)**

Year:	2024/25	2025/26	2025/26	2027/28	2028/29
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	(211)	(211)	(211)	(211)	(211)
Revised Surplus (-) / Deficit	247	4,261	4,392	4,337	4,560
<b>Balances Remaining (-) / Overdrawn</b>	<b>(9,571)</b>	<b>(5,310)</b>	<b>(919)</b>	<b>3,418</b>	<b>7,978</b>
£ Increase	14.00	5.00	5.00	5.00	5.00
% Increase	7.11%	2.37%	2.32%	2.26%	2.21%
Note: Resulting Band D Council Tax	210.89	215.89	220.89	225.89	230.89

Indicating balances of £0.9m over 3 years (with a shortfall of £3.9m over 4 years & £8.4m over the 5 year period) - including the minimum approved level of £0.5m.

**Model 5 Impact of 0% increase in Council tax (followed by increases of 0% thereafter)**

Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	117	235	354	474	595
Revised Surplus (-) / Deficit	575	4,707	4,957	5,022	5,366
<b>Balances Remaining (-) / Overdrawn</b>	<b>(9,243)</b>	<b>(4,536)</b>	<b>420</b>	<b>5,442</b>	<b>10,808</b>
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.0%	0.0%	0.0%	0.0%	0.0%
Note: Resulting Band D Council Tax	196.89	196.89	196.89	196.89	196.89

Indicating a potential shortfall in General fund balances of approx. £0.9m over 3 years (with a shortfall of £5.9m over 4 years & £11.3m over the 5 year period) - including the minimum approved level of £0.5m.

**Model 6 Impact of 2.99% (£5.89) increase in Council tax (followed by increases of 2.99% thereafter)**

Year:	2024/25	2025/26	2026/27	2027/28	2028/29
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	(21)	(46)	(76)	(111)	(150)
Revised Surplus (-) / Deficit	437	4,426	4,527	4,437	4,621
<b>Balances Remaining (-) / Overdrawn</b>	<b>(9,381)</b>	<b>(4,955)</b>	<b>(429)</b>	<b>4,008</b>	<b>8,629</b>
£ Increase	5.89	6.06	6.24	6.44	6.62
% Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Note: Resulting Band D Council Tax	202.78	208.84	215.08	221.52	228.14

Indicating a potential shortfall in General fund balances of approx. £0.07m over 3 years (with a shortfall of £4.5m over 4 years & £9.1m over the 5 year period) - including the minimum approved level of £0.5m.



2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
<b>PE1</b>	To extend the corporate training budget in order to meet needs identified in PDR process, inclusive of essential training such as health and safety for Street Scene and training to meet legislative requirements set by the Social Housing Regulatory Programme.		10.00	-	-	-	-
<b>PE2</b>	To extend the elected members training budget to account for the high amount of new councillors		2.00	-	-	-	-
<b>PE3</b>	Additional funding for targeted marketing, including Christmas and Aethelfest in 2024, and the purchase of a gazebo and additional casual staff costs to enable a presence at various events		17.80	(17.80)			
<b>PE4</b>	Increase budget for postage to meet continuing demand and increased postage costs		40.0				
<b>PE5</b>	Remove income budget for sale of goods at TIC (£15k) net of associated budget for purchase of retail stock (£6k)		9.0				
<b>PE6</b>	Retain CSA staff provision and make permanent 1.71 FTE posts to meet continuing demand re enquiries and service requests		51.50				

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
<b>PE7</b>	New post 0.2 FTE Box Office Asst to support Arts & Events team		8.10				
<b>PE8</b>	Make permanent current temporary CSO post 0.81 FTE		27.30				
<b>PE9</b>	Revenue implications of proposed capital schemes - £26k Civica EDM; £50k CRM & Customer Portal; £28k Contact Centre/Telephony		104.00				
<b>OPS 1</b>	Heritage Lights Festival - three year programme net of grant funding to be confirmed			75.00	90.00	(165.00)	
<b>OPS 2</b>	Assembly Rooms cinema - increase in Broadcasting costs budget £5k pa to improve the offer and associated increase/re-alignment of income £2.5k pa		2.50				
<b>OPS 3</b>	Following 2023 trial event 'Christmas Wonderland in Tamworth' additional budget of £40k pa for 3 years to repeat and build on this event.		40.0			(40.0)	
<b>OPS 4</b>	Increased budget for outdoor summer events 'We Love Tamworth' to grow the event		10.0				
<b>OPS 5</b>	Increased budget for Fireworks event to keep pace with additional costs and fund external traffic management plan		6.0				

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
<b>OPS 6</b>	Funding to subsidise public swimming at Snowdome (contract to be re-negotiated)		110.0				
<b>OPS 7</b>	Creation of 3-person multi-skilled reactive maintenance team - 2 EMOs £60k; 1 Chargehand £35.53k; annual vehicle rental £6.4k, fuel £3k, machinery and tools £7k		111.95				
<b>FIN1</b>	Removal of ongoing consultancy fees budget	If required for specific projects to be requested/built in as part of budgetary proposal	(50.00)	-	-	-	-
<b>FIN2</b>	Local Government Services Grant confirmed for 25/26 onwards			(94.58)			
<b>PAR1</b>	Remove budget for the St Peter's Community Centre, as the 5 year grant agreement for £9k per annum has ended.			(9.0)			
<b>AST1</b>	The creation of a permanent Senior Adaptations Caseworker post (across both services) into the Disabled Adaptations Team to manage increased demand, support service improvements and overall delivery timescales. Projected Grade G (split GF and HRA)			45.01	-	-	-
<b>AST2</b>	Recharge of the above post to Capital CA1002 78%			(45.01)	-	-	-

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
<b>CE1</b>	Electoral Process – new apprentice post at National Minimum Wage		13.86				
<b>CE2</b>	Ongoing software licence costs of Modern Democracy system		34.50				
<b>G&amp;R1</b>	To make the Regeneration Projects Officer post, which is currently a fixed term 3 year post, permanent, recognising the pipeline of Regeneration projects, including Gungate, LUF 3, Homes England, Amington Local Centre, Marmion House redevelopment, Solway CIs disposal, etc. The post is funded to 2025/26 via FHSF and Gungate capital budgets, and there is also the potential to offset future costs with expected grant from the Enterprise Zone Regional Investment Fund (subject to approval)		-	-	19.07	39.58	1.47
<b>G&amp;R2</b>	To establish an annual budget over three years for the delivery of Saxon Living History events in the Castle & Grounds		20.00	-	-	(20.00)	-
<b>G&amp;R3</b>	To establish indicative operational budgets for The Flex building, planned to be delivered by November 2024 as part of the FHSF regeneration programme, net of expected income.		9.11	(8.46)			

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
<b>G&amp;R4</b>	Additional car parking income under scenario modelling re revised tariffs and charges approved by Cabinet November 23		(157.00)				
<b>Total New Items / Amendments</b>			<b>411.62</b>	<b>(45.84)</b>	<b>109.07</b>	<b>(185.42)</b>	<b>1.47</b>

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Executive Management Team will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 31<sup>st</sup> January 2024) in order to inform the next stages of the budget process:

- a review of the proposals including:
  - Reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise, and
  - Consideration of how the limited resources can be 'rationed' (& whether service improvements in a priority area should be met from service reductions elsewhere).
  
- Inclusion of any further potential savings in order to mitigate the forecast budget shortfall. This process is ongoing and will be reported as policy changes in the next phase of the budget process in order to formulate a balanced medium term financial strategy for approval by Cabinet and Council in February 2024.

## Housing Revenue Account – Technical Adjustments Summary

<b>Technical Adjustments</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>
Base Budget B/Fwd	823	(1,315)	(1,278)	(1,540)	(1,782)
Committee Decisions	87	(74)	97	49	0
Inflation	253	190	195	235	242
Other	(2,582)	(254)	(654)	(620)	715
Pay Adjustments (Including pay award / reduction of 7.5% for vacancy allowance)	104	175	100	94	90
Revised charges for non-general fund activities	0	0	0	0	0
Virements	0	0	0	0	0
<b>Total / Revised Base Budget</b>	<b>(1,315)</b>	<b>(1,278)</b>	<b>(1,540)</b>	<b>(1,782)</b>	<b>(735)</b>

The detail of the technical adjustments are shown in Appendix C with a more detailed summary of the HRA Technical Adjustments at Appendix E. Assuming increases in Rent in line with the maximum allowed by the Government's Rent Standard (CPI plus 1% p.a.) in order to support investment in the housing stock, the five year base budget forecast is as follows:

<b>Summary</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>
<b>Estimated Net (Surplus) / Deficit</b>	<b>(1,315)</b>	<b>(1,278)</b>	<b>(1,540)</b>	<b>(1,782)</b>	<b>(735)</b>
Proposed Policy Changes / Additional Costs Identified	81	-	-	-	-
Surplus (-) / Deficit	(1,234)	(1,277)	(1,539)	(1,781)	(734)
Balances Remaining (-) / Overdrawn	(3,211)	(4,488)	(6,027)	(7,808)	(8,542)
Per Council, 28 <sup>th</sup> February 2023	(3,328)	(2,846)	(2,430)	(2,148)	-

As a result of the updated forecast at quarter 2, October 2023, the forecast projections now identify HRA balances of £4.5m by 2025/26 (compared to £2.8m as part of the

approved MTFS forecast in February 2023), £6m by 2026/27 (compared to £2.4m), £7.8m by 2027/28 (compared to £2.2m), with balances of £8.5m by 2028/29.

This includes the additional cost pressures of £81k p.a. over 5 years identified to date in the proposed HRA policy changes but it does not include the anticipated cost pressures for the HRA capital programme arising from the ongoing work in updating the 30 year HRA business plan. Early indications from the modelling are a potential shortfall over 30 years of £37m plus a significant and unsustainable increase in HRA debt levels arising from the capital programme pressures (of over £376m over 30 years).

The increased cost pressures currently being experienced will also have an impact on the level of rent increase for 2024/25. The MTFS included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%. Given the current level of CPI of 6.7%, the increase for 2024/25 will be at 7.7% (based on the forecast CPI inflation rate for September 2023) in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) – in order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years).

However, for 2023/24 DLUCH implemented of a rent cap 7% (with alternative options of 3% or their preferred 5% indicated).

From indications last year that a cap may also be considered for 2024/25, together with a likely increase of over 7%, there is a possibility that DLUHC may consult on capping again (e.g. at a 5% capped increase, the annual rent loss would equate to £578k, £3million over 5 years).



A summary of the HRA over the 5 year period is shown at **Appendix H**. Potential HRA revenue policy changes are highlighted below:

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
<b>HASS1</b>	Budget provision to cover cost of using existing TBC employed Cleaners to ensure cleaning of HRA communal areas can continue to be carried out in the event that any current cleaning staff member becomes unavailable due to sickness or long term absence. In the last couple of years the demand to use Agency Cover for staff absence has increased significantly whilst the same level of cleaning is still expected to be carried out. The creation of a permanent Senior Adaptations Caseworker post (across both services) into the Disabled Adaptations Team to manage increased demand, support service improvements and overall delivery timescales. Projected Grade G (split GF and HRA)  Recharge of the above post to Capital CR2008 22%		40.00	(40.00)	-	-	-
<b>HASS2</b>			12.70				
<b>HASS3</b>			(12.70)				

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
HNEI1	Budget provision to cover the cost of extending the temporary post `Resident Support Worker` at Eringden Block for a further year until March 2025 on a Grade E.		41.43	(41.43)	-	-	-
<b>Total New Items / Amendments</b>			<b>81.43</b>	<b>(81.43)</b>			

## Rent Setting Policy

The introduction of rent restructuring in April 2003 required the Council to calculate rents in accordance with a formula on a property by property basis and account separately for rental payments and payments which are for services (for example grounds maintenance, upkeep of communal areas, caretaking) within the total amounts charged.

This framework removed the flexibility to independently set rent levels from Social Landlords and replaced it with a fixed formula (RPI plus 0.5% plus £2.00) based on the value of the property and local incomes.

The aim of the framework was to ensure that by a pre-set date all social landlord rents have reached a 'target rent' for each property that will reflect the quality of accommodation and levels of local earnings. In achieving this target rent councils were also annually set a "limit rent" which restricted the level of rent increase in any one year.

From 2015/16, Councils could decide locally at what level to increase rents. Government Guidance suggested an increase of CPI plus 1%, however, the Council agreed to vary this level, and applied the formula CPI plus 1% plus £2 (capped at formula rent) **for 2015/16 only**, to generate additional funding to support increased maintenance costs and the regeneration of key housing areas within the Borough.

The effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 means that rents were reduced by 1% a year for the four years from 2016/17.

The Government has now confirmed that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard.

On 30<sup>th</sup> November 2017, Cabinet considered and approved amendments to the Council's Rent Setting Policy to include arrangements to charge affordable rents on new and affordable housing.

The policy provides a framework within which Tamworth Borough Council will set rents and service charges and draws on the Department for Communities and Local Government Guidance on Rent Setting for Social Housing.

In setting the rent setting policy the Council had full regard to legislation, regulations and associated rent setting guidance including the Welfare Reform and Work Act 2016 which gave effect to the Government's 1% rent reduction for four years up to 2020/21.

For 2024/25 (and in the medium term), should rents be set in line with the approved policy including a general increase of the consumer price index (CPI) measure of inflation of plus 1% - this would equate to a 7.7% increase (followed by forecast increases of 3% p.a.), due to the increased cost pressures currently being experienced. The MTFS included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%. Given the current level of CPI of 6.7% (September 2023), the forecast increase for 2024/25 will be 7.7% in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) - in

order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years).

However, for 2023/24 DLUCH implemented of a rent cap 7% (with alternative options of 3% or their preferred 5% indicated).

From indications last year that a cap may also be considered for 2024/25, together with a likely increase of over 7%, there is a possibility that DLUHC may consult on capping again (e.g. at a 5% capped increase, the annual rent loss would equate to £578k, £3million over 5 years).

The following options have been modelled:

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2026/27 £	2027/28 £
<b>Option 1: CPI + 1%</b>						
Rent (52 Weeks)	92.13	99.23	102.20	105.27	108.43	111.68
Rent (48 Weeks)	99.81	107.50	110.72	114.04	117.46	120.99
% Increase	7%	7.7%	3.0%	3.0%	3.0%	3.0%
	-	-	-	-	-	-
		<b>5 year impact</b>				<b>0</b>
<b>Option 2: CPI</b>						
Rent (52 Weeks)	92.13	98.31	100.27	102.28	104.32	106.41
Rent (48 Weeks)	99.81	106.50	108.63	110.80	113.02	115.28
% Increase		0.067	0.02	0.02	0.02	0.02
<b>Reduced Rent compared to Option 1</b>		<b>213,950</b>	<b>438,230</b>	<b>676,830</b>	<b>925,760</b>	<b>1,185,330</b>
		<b>5 year impact</b>				<b>3,440,100</b>
<b>Option 3: No increase</b>						
Rent (52 Weeks)	92.13	92.13	92.13	92.13	92.13	92.13
Rent (48 Weeks)	99.81	99.81	99.81	99.81	99.81	99.81
% Increase		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reduced Rent compared to Option 1</b>		<b>1,681,550</b>	<b>2,284,330</b>	<b>2,971,150</b>	<b>3,674,690</b>	<b>4,395,380</b>
		<b>5 year impact</b>				<b>15,007,100</b>
Inflation at CPI + 1%		7.7%	3.0%	3.0%	3.0%	3.0%

Effect of the potential cap:	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£
<b>CPI + 1%</b>						
Rent (52 Weeks)	92.13	99.23	102.20	105.27	108.43	111.68
Rent (48 Weeks)	99.81	107.50	110.72	114.04	117.46	120.99
% Increase		7.7%	3.0%	3.0%	3.0%	3.0%
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5 year impact</b>					-	<b>0</b>
<b>CAP 3%</b>						
Rent (52 Weeks)	92.13	94.90	97.74	100.68	103.70	106.81
Rent (48 Weeks)	99.81	102.80	105.89	109.07	112.34	115.71
% Increase		3.0%	3.0%	3.0%	3.0%	3.0%
		1,005,560	1,011,660	1,038,980	1,067,040	1,095,850
<b>5 year impact</b>					-	<b>5,219,090</b>
<b>CAP 5%</b>						
Rent (52 Weeks)	92.13	96.74	99.64	102.63	105.71	108.88
Rent (48 Weeks)	99.81	104.80	107.94	111.18	114.52	117.95
% Increase		5.0%	3.0%	3.0%	3.0%	3.0%
		577,670	581,160	596,860	612,990	629,530
<b>5 year impact</b>					-	<b>2,998,210</b>
<b>CAP 7%</b>						
Rent (52 Weeks)	92.13	98.58	101.54	104.59	107.72	110.95
Rent (48 Weeks)	99.81	106.80	110.00	113.30	116.70	120.20
% Increase		7.0%	3.0%	3.0%	3.0%	3.0%
		149,770	150,670	154,730	158,930	163,210
<b>5 year impact</b>					-	<b>777,310</b>

## Corporate Capital Strategy

The Council has an ongoing capital programme of over £44m for 2023/24 and an asset base valued at £300m (as at 31<sup>st</sup> March 2023).

The strategy sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets.

Capital investment is an important ingredient in ensuring the Council's vision is achieved and given that capital resources are limited it is critical that the Council makes best use of these resources.

This Strategy sets the policy framework for the development, management and monitoring of this investment and forms a key component of the Council's planning alongside the Medium Term Financial Strategy.

The Capital Strategy will:

- Reflect Members' priorities as set out in the Corporate Plan;
- Balance the need to maintain the Council's existing asset base against its future ambition and associated long term asset needs and consolidate assets where appropriate;
- Recognise that growth is the strategic driver for financial self-sufficiency;
- Be affordable in the context of the Council's MTFS;
- Seek to ensure value for money through achieving a return on investment or by supporting service efficiency and effectiveness;
- Be flexible to respond to evolving service delivery needs;
- Seek to maximise investment levels through the leveraging of external investment;
- Recognise the value of assets for delivering long-term growth as opposed to being sold to finance capital expenditure;
- Recognise the financial benefits and risks from growth generated through investment to support investment decisions; and
- Reflect the service delivery costs associated with growth when assessing the level of resources available for prudential borrowing.

The capital strategy feeds into the annual revenue budget and MTFS by informing the revenue implications of capital funding decisions. The implications for the MTFS are fully considered before any capital funding decisions are confirmed.

Equally, the availability of prudential borrowing means that capital and revenue solutions to service delivery can be considered, and ranked, alongside each other as part of an integrated revenue and capital financial strategy.

The Capital Strategy further sets out the Council's approach to the allocation of its capital resources and how this links to its priorities at a corporate and service level. It describes how the Council has responded to the opportunities provided by prudential borrowing and other new sources of finance.

All proposed schemes requiring capital investment should have as a minimum the following information:

- A description of the scheme;
- The estimated financial implications, both capital and revenue;
- The expected outputs, outcomes and contribution to corporate objectives;
- The nature and outcome of consultation with stakeholders and customers (as applicable);
- Any impacts on efficiency and value for money;
- Risk assessment implications and potential mitigations; and
- Any urgency considerations (e.g. statutory requirements or health and safety issues).

All capital bids should be prepared in light of the following list of criteria, and the proposed investment should address and be assessed with regard to:

- **the contribution its delivery makes towards the achievement of the Council's Corporate Priorities;**
  - **the achievement of Government priorities and grant or other funding availability;**
- the benefits in terms of the contribution to the Council's Corporate Objectives and compliance with the Corporate Capital Strategy requirements of:
  1. Invest to save
  2. Maintenance of services and assets
  3. Protection of income streams
  4. Avoidance of cost.

The current de-minimis for capital expenditure is £10k per capital scheme.

It is important that capital investment decisions are not made in isolation and instead are considered in the round through the annual budget setting process.

Corporate Management Team and Service Managers identify the potential need for capital investment. This will take account of issues including the condition of council owned assets (including reference to the Council's Asset Management Plan), health and safety requirements, statutory obligations of the Council, operational considerations and emerging opportunities for investment including possible sources of external financing.

Corporate Management Team (CMT) review capital bids prior to consideration by Members. Once capital bids have been prioritised, Executive Management Team will review the outcome of the deliberations of CMT and will make recommendations to Cabinet through an updated Medium Term Financial Strategy (MTFS) report on a proposed budget package which will include capital budget proposals.

The MTFS report (including capital budget proposals) will ultimately be considered by Budget Setting Council each year.

Following a review of the Capital Programme approved by Council on 28<sup>th</sup> February 2023, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

A schedule of the capital scheme appraisals for the General Fund (GF) & Housing Revenue Account (HRA) received for consideration is attached at **Appendix I – General Fund Services (GF) and Appendix J – Housing (HRA)**, together with the likely available sources of funding (capital receipts / grants / supported borrowing etc).

A significant number of new or amended schemes have been proposed and the forecast highlights that insufficient resources are available to finance all of the schemes submitted.

The forecast highlights that insufficient resources are available to finance all of the GF schemes submitted. The minimum approved level of GF capital balances is £0.5million and, should the programme progress without amendment, this would mean a £1.3m shortfall over the next 5 years (£1.08m over 3 years) which would have to be funded from revenue and makes the revenue shortfall worse

There has been an increase of £1.1m over 5 years since the provisional programme was approved (including new year 5 costs of £910k). The current GF Capital Financing Requirement (CFR) stands at £3.785m with planned borrowing in 2023/24 of £2.951m.

There has been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2028/29.

Work is progressing on the updated forecast resources but given the significant changes in spend over the 5 years of c.£14m (£7.6m in year 5) then there will be a significant funding gap for the HRA capital programme.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £69.981m with planned borrowing in 2023/24 of £1.159m. However it should be noted that the additional borrowing associated with unsupported costs will mean higher debt interest costs for the HRA.

With regard to the contingency schemes/allocation **£350k** remains in current year contingency funds (£250k GF/ £100k HRA) - which will be re-profiled into 2024/25 to provide General Contingency funding.

To inform discussions, the proposals have been reviewed by the Corporate Management Team with initial comments & suggestions for each of the schemes outlined below.

## General Fund

### 1) Replacement TEC Roof *Project score 48*

A new scheme has been proposed to replace the roof at the TEC £63.3k



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**2) EDM System Upgrade/Replacement**

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**Project Score 12**

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New scheme proposed in line with the approved ICT Strategy and Cloud first approach to ICT Service provision and in order to continue to benefit from on-going development of the EDM system and maintain flexible access to core systems, a migration from our existing legacy W2 system to the W3 cloud based EDM system or an alternative offering the required functionality is necessary.

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**3) CRM & Customer Portal**

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**Project Score 12**

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New scheme proposed to leverage newer technology and benefit from continued development, expedite our digital transformation, deliver efficiencies and automation between front and back office and offer a modern digital enabled customer experience, a replacement CRM and Customer portal system.

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**4) Contact Centre/Teams Telephony**

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**Project Score 12**

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New scheme proposed in line with our approved ICT Strategy, digital transformation aspirations to move more customer contact to digital channels to deliver efficiencies and to meet customer expectations for high-quality customer experiences across all contact channels and to also leverage new technology such as AI, a new omnichannel capable contact centre system is required. To compliment this, a move to Microsoft Teams Telephony will also be implemented to improve contact between employees and service areas and to further enhance the flexibility of the Council's workforce.

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**The provisional capital programme has been reviewed and includes the following schemes:**

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**5) Capital Repairs Programme - Castle**

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**Project Score: 9**

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Year 2 of total capital bid for £375k for completion of repair and maintenance works to the Scheduled Monument identified in Condition Report 2019 as urgent or required (desirable) within 10 years.

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Year one design and prelims (£100k), year two capital works delivery (£250k). £25k originally requested in year 2 for an updated condition report no longer required as this is being met from current year revenue reserve.

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Project forms part of match funding for proposed grant application.

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**6) Capital works required to general fund assets**

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**Project Score: 18**

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Year 2 costs in relation to the following schemes:

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£100k Refurbishment of Anker Valley changing rooms to improve facility and address water storage/heating issues

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**7) Replacement of Open Space Assets**

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**Project Score: 12**

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Year 2 £80k to Replace the existing wooden Snowdome footbridge. A recent structure inspection highlighted that the existing wooden footbridge near to the Snowdome will require replacement in the medium term.

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**8) Play Area Refurbishment**

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**Project Score: 12**

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£50k p.a. years 2-5 - complete one play area refurbishment p.a.

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**9) Balancing ponds and sustainable drainage systems**

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**Project Score: 63**

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£100k 2024/25, £300k 2025/26, and £220k 2026/27

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A 30 year rolling programme of works was approved for inclusion in the capital programme, with an annual spend required from 2023/24, for the 8 ponds at Stonydelph, Belgrave, Lakeside, Peelers Way.

The total cost of the programme over 30 years is £4.68m partially financed by existing reserves of £604k and annual revenue contributions totaling £1.92m, leaving a balance of £2.156m (from existing reserves/retained fund (£200k), Section 106 commuted sums (£404k) and ongoing annual revenue contributions (of £64k p.a.).

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**10) Technology Improvement/Replacement (Replacement PCs, Servers & Printers)**

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**Project Score: 12**

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A rolling programme was approved for £70k in 2023/24 followed by £60k p.a. from 2024/25 to 2027/28 – no indication of likely cost for 2028/29 or updated capital appraisal has been received.

Significantly increased reliance on ICT has resulted in a commitment to ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with technology lifecycles. The Council is also on a journey towards digital transformation and self service for customers, demand for flexible resilient and available ICT services to support this requires continued investment into the authorities hardware and associated software. The organisation is also establishing new, more flexible and agile ways of working which requires investment into technology to support ongoing effectiveness.

External factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) Code of Connection, and the increase in required investment into cyber security to keep the councils network secure and available means continued investment is essential..It should be noted that corporate applications are excluded from this schedule of planned work.

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**11) Endpoint Protection and Web-Email Filter**

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**Project Score: 60**

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A rolling programme was approved for £40k in 2022/23 followed by £40k every 3 years for Endpoint Protection (covering Anti Virus, Anti Malware and Encryption and the contract for Web and Email filtering). There is currently provision for £40k in 2025/26 however future requirements will be subject to confirmation as to whether we will be moving to a subscription model and incurring revenue rather than a capital cost.

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**12) Street Lighting**

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£120k in 2024/25 and £50,960 in 2025/26

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A rolling programme was approved with an annual spend required from 2016/17. The Council has its own stock of street lighting across the borough, mainly in housing areas and other communal parts such as play areas and car parks. The street lighting assets are inspected and maintained by Eon on behalf of the Council under the terms of Staffordshire County Council PFI contract with Eon. Eon have produced a replacement street lighting programme which spans 40 years and include the replacement of all the lighting columns based on 'their life expectancy' and a lighting head replacement programmed based on providing more efficient low energy lighting heads. This appraisal is based on years 5-10 years of the replacement programme. The 40 year costed programme has been submitted as a whole life cost document.

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**13) Disabled Facilities Grants (DFG)**

£650k pa to 2027/28

The provisional programme included £650k p.a. part funded by redistributed Better Care Fund (BCF) grant of £547k.

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**14) Energy Efficiency Upgrades to Commercial & Industrial Units**

£75k pa to 2027/28

A rolling programme with an annual spend of £75k was approved from 2017/18.

To fund a degree of improvement to industrial units when they become vacant in order to be able to re-let them – as, with effect from April 2018, it will not be possible to enter into long term lease agreements for commercial and industrial units with and EPC rating of 'E' or less.

Depending on void levels, we could expect to lose around £20k p.a. increasing by £20k p.a. for the next 5 years (c.£300k over 5 years).

If we are able to let on License or Tenancy at Will arrangements we may be able to maintain a level of income but there will be an increase in other costs such as NNDR payments, repair costs, security costs and the like.

Investment in enveloping works to improve energy efficiency will prolong the life of the estate at the current rent levels but ultimately Sandy Way phase 2 will require a more significant investment project to give a long life expectancy.

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**15) CCTV Upgrades**

£45,710 pa to 207/28

Following approval of the Shared Service, Capital budgets of £45,714 p.a. have been included.

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**16) General Fund Capital Contingency Budget**

The remaining 2023/24 contingency budget totaling £250k will be rolled forward to 2024/25.

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## Housing

There have been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2028/29.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £69.981m with planned borrowing in 2023/24 of £1.159m.

## Housing Revenue Account

### 1) Council House Adaptations

#### **Project Score 2**

A new scheme has been proposed to increase the current budget for Disabled Facilities Adaptations to £700k pa from £250k pa, including amalgamation of budgets for Sheltered Lifts and Stairlift renewals, currently £250k for 24/25 and £50k pa thereafter.

### 2) HRA Capital Programmes

#### **Project Score 48**

New scheme for investment works in line with HRA business plan  
High Rise Ventilation £1.7m 24/25 renewal to all 6 blocks compliance requirement.

Fire Door Replacement on low level blocks £404k pa yr1 - 5

Garage site renewals 10 sites in 24/25 £930k

Roofing Programme increase in funds £250k 24/25

**The provisional capital programme has been reviewed – assumed continuing with same amounts required in 2028/29:**

Structural Works £200k pa to 2027/28

Bathroom Renewals £575k pa to 2027/28

Gas Central Heating Upgrades and Renewals £685.5k pa to 2027/28

Kitchen Renewals £700k pa to 2027/28

Major Roofing Overhaul & Renewals – updated appraisal received for additional funds in 2024/25, then £1.5m pa thereafter to 2027/28

Window & Door Renewals - £400k pa to 2027/28

Neighbourhood Regeneration - proposal for additional £60k in 24/25 for provision of parking spaces, then £200k pa to 2027/28

Rewire £100k pa to 2027/28

CO2/Smoke Detectors £64k pa to 2027/28

Fire Risk Mitigation Works £300k 2024/25 only

Damp and Mould works £100k pa to 2027/28

High Rise Refuse Chute Renewals £150k 2024/25 only

Works to Achieve Zero Carbon - £1m 2024/25 to 2026/27

Sheltered Lifts and Stairlift Renewals - £250k 2024/25 then £50k pa to 2027/28

Internal Flooring and Decoration at Eringden £90k 2024/25 only

Street Lighting - £180k 2024/25 and £76.44k 2025/26 - HRA share to continue in line with the approved 30 year programme .

Regeneration and Affordable Housing - £250k 2024/25, then £1.75m 2025/26 to 2027/

## Main Assumptions

Inflationary Factors	2024/25	2025/26	2026/27	2027/28	2028/29
Inflation Rate - Pay Awards	4.00%	2.00%	2.00%	2.00%	2.00%
National Insurance	10.00%	10.00%	10.00%	10.00%	10.00%
Superannuation	22.1%	22.1%	22.1%	22.1%	22.1%
Inflation Rate (RPI)	3.40%	2.40%	2.40%	2.80%	2.80%
Inflation Rate (CPI)	3.50%	2.40%	2.40%	2.80%	2.80%
Investment Rates	4.25%	2.75%	2.60%	2.50%	2.50%
Base Interest Rates	5.00%	3.00%	2.50%	2.50%	2.50%

1. For 2022/23 a £1,925 increase on all pay points for Local Government pay was agreed. For 2023/24, an offer of a £1,925 increase on all pay points has been subject to union ballot and has been included. Future years remain uncertain but a 4.0% increase has been assumed for 2024/25 with annual increases of 2.0% p.a. from 2025/26.
2. Overall Fees and Charges will rise generally by 5% in 2024/25 (2.5% p.a. thereafter) except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. Revised estimates for rent allowance / rent rebate subsidy levels have been included;
4. At this stage no changes to the level of recharges between funds has been included;
5. Revenue Support Grant of £302,008 will increase annually by inflation from 2024/25 after an inflationary increase for 2023/24, following the deferral of the funding reforms. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2023.
6. The New Homes Bonus scheme ends pending consultation on the future of the scheme;
7. An increase of £5 p.a. in Council Tax - current indications are that increases of 3% or £5 and above risk 'capping' (£5 for District Councils for 2023/24 was confirmed);
8. The major changes to the previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
9. Future Pension contribution levels – following an option to 'freeze' the 'lump sum' element for the 3 years from 2020/21 (after the triennial review during 2019), a further overall freeze has been agreed in line with the Actuary's indications for the 3 years from 2024/25 (together with a pre-payment of the 3 year contributions in April 2023). The primary contribution rate is 22.1% from 2023/24 (16.5% 2022/23) with a corresponding reduction in the lump sum element – better reflecting the split between future costs (funded by the primary contribution) which are expected to rise

in line with inflation and past service costs (funded by the lump sum element). 1% p.a. year on year increases have been included from 2026/27;

10. Increase in rent levels by CPI plus 1% (7.7% for 2024/25 based on the September CPI figure of 6.7%) - the Government has confirmed that social housing annual rent increases can rise by up to the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard. Current indications that sales of council houses will be approximately per annum. However, DLUCH consulted on the implementation of a rent cap in 2023/24 (& potentially 2024/25) at 3%, 5% or 7% (with a preferred 5% indicated – subsequently confirmed at 7%). This meant a rent loss to the HRA of £4.2m over 5 years based on a 7% rent cap. There has been no further information on a potential cap for 2024/25.
11. Forecasts have been informed by the Bank of England Inflation report (August 2023), HM Treasury – Forecasts for the UK Economy (August 2023)). Any significant variances will be considered later in the budget setting process.

## Technical Adjustments Analysis – General Fund 2024/25

( ) denotes saving

<u>Director</u>	<u>Data Type</u>	<u>Narrative</u>	£	£	£
<b>Chief Executive</b>					
	Virements				-
	Committee Decisions				
		2020/21 Policy Change WM1 Potential Waste Management Cost Increases	34,850		
		Cabinet 09/09/21 Dry Recycling Update	2,000	36,850	
	Inflation			(33,270)	
	Other				
		2024/25 BWP 002 Vacancy Allowances	(280)		
		2024/25 BWP 044 Insurances	80		
		2024/25 BWP 051 Essential Car Users	(3,660)		
		2024/25 BWP 053 Audit Service Costs	4,100	240	
	Pay Adjustments			(4,750)	
	Changes in Recharges				-
					<b>(930)</b>
<b>Assistant Director Growth and Regeneration</b>					
	Virements			(19,500)	
	Committee Decisions				
		2023/24 Policy Change G&R 1 Additional costs to make Senior Licencing Officer Permanent	40,000		
		2023/24 Policy Change G&R 1 Additional funding from Community Safety Grant and additional income	(46,600)		
		2023/24 Policy Change G&R 2 Additional post for Net Zero Work Stream	2,700		
		2023/24 Policy Change G&R 5 TEC2 Operating Budgets	(56,910)		
		2023/24 Policy Change G&R 6 Contribution from Shared Prosperity Fund	(25,000)		
		Cabinet 17/03/22 Agenda Item 8 Economic Development Service Workplan	20,000		
		Removal of FHSF honorarium	(14,580)	(80,390)	
	Inflation			(16,340)	
	Other				
		2024/25 BWP 002 Vacancy Allowances	(10,890)		
		2024/25 BWP 005 Depreciation	20,990		
		2024/25 BWP 011 TBC NNDR Properties	35,310		
		2024/25 BWP 021 Bank Charges and Cash Security	(1,960)		
		2024/25 BWP 034 Gas and Electricity Charges	(56,830)		
		2024/25 BWP 044 Insurances	1,610		
		2024/25 BWP 051 Essential Car Users	(2,080)	(13,850)	
	Pay Adjustments			39,290	
	Changes in Recharges				-

**(90,790)**

**Executive Director Organisation**

Virements		-
Committee Decisions		
2022/23 Policy Change OR 1 Increase in Legal Shared Service costs	11,000	11,000
Inflation		21,710
Other		
2024/25 BWP 002 Vacancy Allowances	(900)	
2024/25 BWP 008 Mayor & Deputy Mayors Allowance	(340)	
2024/25 BWP 009 Land Charges	8,000	
2024/25 BWP 017 Conveyancing & Right to Buy	8,820	
2024/25 BWP 044 Insurances	120	15,700
Pay Adjustments		4,780
Changes in Recharges		-
		<b>53,190</b>

**Assistant Director People**

Virements		-
Committee Decisions		
2020/21 Policy Change A&G1 Elections	(66,240)	
2021/22 Policy Change A&G1 Elections	6,030	
2022/23 Policy Change PE1 Increase in Long Service Award costs	2,590	
2022/23 Policy Change R&R 1 Digitalisation of Customer Service Team	(50,000)	
2023/24 Policy Changes PE 1 Customer Services Resources	(73,540)	
2023/24 Policy Changes PE 5 Remove Temp Elections Officer	(25,000)	(206,160)
Inflation		25,000
Other		
2023/24 BWP 049 Cabinet 10/11/22 R&R savings not achieved	50,000	
2023/24 Service Review	(22,740)	
2024/25 BWP 002 Vacancy Allowances	(5,800)	
2024/25 BWP 005 Depreciation	24,090	
2024/25 BWP 011 TBC NNDR Properties	180	
2024/25 BWP 021 Bank Charges and Cash Security	60	
2024/25 BWP 023 Healthshield Staff Health Insurance	10,020	
2024/25 BWP 034 Gas and Electricity Charges	(480)	
2024/25 BWP 044 Insurances	(980)	
2024/25 BWP 051 Essential Car Users	(400)	53,950
Pay Adjustments		47,460
Changes in Recharges		-
		<b>(79,750)</b>

**Assistant Director Environment, Culture and Wellbeing**

Virements		-
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Committee Decisions		
2022/23 Policy Change OPS 1 Delete Mobile Leisure Assistant Post	(25,800)	
2023/24 Policy Change OPS 1 Assembly Rooms Operating Budgets	(158,600)	
2023/24 Policy Change OPS 2 Infrastructure Costs Electric Vehicles	(30,000)	
2023/24 Policy Change OPS 7 Remove additional budget for WAMITAB Qualification	(15,000)	
2023/24 Policy Change OPS 8 Remove additional budget for illegal encampments	(50,000)	(279,400)
Inflation		(2,540)
Other		
2024/25 BWP 002 Vacancy Allowances	(12,660)	
2024/25 BWP 005 Depreciation	161,450	
2024/25 BWP 011 TBC NNDR Properties	9,030	
2024/25 BWP 014 Snowdome Swimming Subsidy	(113,580)	
2024/25 BWP 021 Bank Charges and Cash Security	2,360	
2024/25 BWP 034 Gas and Electricity Charges	(120,270)	
2024/25 BWP 044 Insurances	16,960	(56,710)
Pay Adjustments		55,320
Changes in Recharges		-
		<u><u>(283,330)</u></u>

#### Executive Director Finance

Virements		-
Committee Decisions		-
Inflation		100
Other		
2024/25 BWP 002 Vacancy Allowances	(30)	
2024/25 BWP 044 Insurances	(130)	(160)
Pay Adjustments		(2,700)
Changes in Recharges		-
		<u><u>(2,760)</u></u>

#### Assistant Director Finance

Virements		32,000
Committee Decisions		
2020/21 Policy Change FIN 3 Revenue Implications of Capital Programme	9,000	
2020/21 Policy Change FIN 4 Revenue Implications of Capital Programme	15,000	
2022/23 Policy Change FIN 6 Revenue Implications of Capital Programme	1,000	
2022/23 Policy Change R&R 19 Phase 2 Targeted Savings	(90,000)	
2023/24 Policy Change FIN 3 Removal of HM King Charles III Celebration budgets for 2023	(50,000)	
2023/24 Policy Change FIN 7 New Homes Bonus recalculation	347,130	
2023/24 Policy Change FIN 8 Business Rates Levy recalculation	30,700	
2023/24 Policy Change FIN 10 Business Rates Relief Section 31 Grants recalculation	(51,670)	

	2023/24 Policy Change FIN 12 Item 8 Charge to HRA recalculated	27,330	
	2023/24 Policy Change FIN 12 Revenue Implications of Capital Programme	42,800	281,290
Inflation			7,640
Other			
	2023/24 BWP 049 Cabinet 10/11/22 R&R savings not achieved	58,000	
	2023/24 Service Review	(20,330)	
	2024/25 BWP 002 Vacancy Allowances	(8,240)	
	2024/25 BWP 005 Depreciation	(450,880)	
	2024/25 BWP 006 Benefits Estimate	(23,640)	
	2024/25 BWP 010 NNDR Cost of Collection	(680)	
	2024/25 BWP 012 Revenues Court Income	48,500	
	2024/25 BWP 018 Superannuation Allowances	(3,070)	
	2024/25 BWP 020 Audit Fee	9,540	
	2024/25 BWP 021 Bank Charges and Cash Security	8,440	
	2024/25 BWP 022 Apprenticeship Levy	3,930	
	2024/25 BWP 024 Treasury Management	(443,450)	
	2024/25 BWP 031 Pensions Lump Sum Freeze for 3 years	13,020	
	2024/25 BWP 044 Insurances	(780)	
	2024/25 BWP 051 Essential Car Users	(800)	(810,440)
Pay Adjustments			44,120
Changes in Recharges			-
			<b>(445,390)</b>

#### Executive Director Communities

Virements			-
Committee Decisions			-
Inflation			-
Other			-
Pay Adjustments			-
Changes in Recharges			-

#### Assistant Director Assets

Virements			19,500
Committee Decisions			
	2020/21 Policy Change AST 7 Marmion House Accommodation	1,000	1,000
Inflation			24,120
Other			
	2023/24 BWP 048 Marmion House R&R deferral	(1,000)	
	2024/25 BWP 002 Vacancy Allowances	(15,150)	
	2024/25 BWP 003 Cost Pressures and Income Changes	5,250	
	2024/25 BWP 005 Depreciation	247,350	
	2024/25 BWP 011 TBC NNDR Properties	38,400	
	2024/25 BWP 034 Gas and Electricity Charges	(150,470)	
	2024/25 BWP 041 Commercial and Industrial Rents	(122,100)	
	2024/25 BWP 044 Insurances	18,250	

2024/25 BWP 051 Essential Car Users	1,870	22,400
Pay Adjustments		19,230
Changes in Recharges		-
		<u><u>86,250</u></u>

#### Assistant Director Neighbourhoods

Virements		(32,000)
Committee Decisions		
2023/24 Policy Change NEI 1 Reduced BT Redcare costs following review with WMCA	(17,000)	
Appt & Staffing 26/01/23 Transformation Neighbourhood Impact Team	(50,770)	(67,770)
Inflation		1,000
Other		
2024/25 BWP 002 Vacancy Allowances	3,720	
2024/25 BWP 005 Depreciation	700	
2024/25 BWP 025 Alarm Call Contract	120	
2024/25 BWP 034 Gas and Electricity Charges	(1,560)	
2024/25 BWP 040 Housing Bad Debt Provisions	(13,500)	
2024/25 BWP 044 Insurances	70	
2024/25 BWP 051 Essential Car Users	(1,320)	(11,770)
Pay Adjustments		20,110
Changes in Recharges		-
		<u><u>(90,430)</u></u>

#### Assistant Director Partnerships

Virements		-
Committee Decisions		
2022/23 Policy Change R&R 11 Review of Cross Subsidy HRA & GF	200,000	
2023/24 Policy Change PAR 1 Increased CPE Income (post COVID)	(59,190)	
Cabinet 17/03/22 Agenda Item 8 Economic Development Service Workplan	(20,000)	120,810
Inflation		(6,580)
Other		
2024/25 BWP 002 Vacancy Allowances	(4,250)	
2024/25 BWP 005 Depreciation	(3,700)	
2024/25 BWP 021 Bank Charges and Cash Security	10	
2024/25 BWP 044 Insurances	(380)	
2024/25 BWP 051 Essential Car Users	(2,950)	(11,270)
Pay Adjustments		27,780
Changes in Recharges		-
		<u><u>130,740</u></u>

## Technical Adjustments Analysis – Housing Revenue Account 2024/25

( ) denotes saving

Director	Data Type	Narative	£	£	£
<b>HRA Summary</b>					
	Virements			90,840	
	Committee Decisions				
		2020/21 Policy Change HRA 20 RCCO	400,000		
		2020/21 Policy Change HRA 9 Fire Risk Assessments	(65,000)		
		2022/23 Policy Change R&R 11 Review of Cross Subsidy HRA & GF	(200,000)		
		2023/24 Policy Change HRA 1 Rent Cap Recalculation	24,260		
		2023/24 Policy Change HRA 3 Item 8 Debit Recalculation	(27,330)	131,930	
	Inflation			199,740	
	Other				
		2023/24 BWP 038 Housing Rent			
		2024/25 BWP 004 HRA Garage Rent	14,820		
		2024/25 BWP 005 Depreciation	338,530		
		2024/25 BWP 022 Apprenticeship Levy	2,000		
		2024/25 BWP 024 Treasury Management	128,160		
		2024/25 BWP 031 Pensions Lump Sum Freeze for 3 years	3,980		
		2024/25 BWP 033 HRA Service Charges	(33,700)		
		2024/25 BWP 038 Housing Rent	(2,230,400)		
		2024/25 BWP 040 Housing Bad Debt Provisions	17,000		
		2024/25 BWP 052 Affordable Rents to Capital	(227,400)	(1,987,010)	
	Pay Adjustments			-	
	Changes in Recharges			-	
					<b>(1,564,500)</b>
<b>ED Communities</b>					
	Virements			-	
	Committee Decisions			-	
	Inflation			80	
	Other				
		2024/25 BWP 002 Vacancy Allowances	(30)		
		2024/25 BWP 044 Insurances	1,080		
		2024/25 BWP 051 Essential Car Users	(1,110)	(60)	
	Pay Adjustments			(2,700)	
	Changes in Recharges			-	
					<b>(2,680)</b>
<b>AD People</b>					
	Virements			-	

Committee Decisions		
2022/23 Policy Change HPEO1 Removal of Temp Repairs Officer Post	(27,000)	(27,000)
Inflation		280
Other		
2024/25 BWP 002 Vacancy Allowances	1,580	
2024/25 BWP 044 Insurances	(70)	1,510
Pay Adjustments		1,590
Changes in Recharges		-
		<u>(23,620)</u>

#### AD Environment Culture and Wellbeing

Virements		-
Committee Decisions		-
Inflation		2,050
Other		
2024/25 BWP 002 Vacancy Allowances	(5,720)	
2024/25 BWP 034 Gas and Electricity Charges	2,000	
2024/25 BWP 044 Insurances	550	(3,170)
Pay Adjustments		13,380
Changes in Recharges		-
		<u>12,260</u>

#### AD Assets

Virements		-
Committee Decisions		-
Inflation		5,030
Other		
2024/25 BWP 002 Salaries	(24,350)	
2024/25 BWP 002 Vacancy Allowances	(3,130)	
2024/25 BWP 025 Alarm Call Contract	210	
2024/25 BWP 034 Gas and Electricity Charges	(132,310)	
2024/25 BWP 044 Insurances	(60)	
2024/25 BWP 051 Essential Car Users	(9,430)	(169,070)
Pay Adjustments		41,980
Changes in Recharges		-
		<u>(122,060)</u>

#### AD Neighbourhoods

Virements		(90,840)
Committee Decisions		
2023/24 Policy Change HASS 1 Additional funding for Stock Condition Survey	20,000	
2023/24 Policy Change HNEI 2 Remove Additional funding for Resident Support Worker	(38,000)	(18,000)
Inflation		45,930
Other		
2023/24 BWP 027 Enhanced Housing Management Charges	(2,170)	

2024/25 BWP 002 Vacancy Allowances	(22,210)	
2024/25 BWP 005 Depreciation	(1,050)	
2024/25 BWP 011 TBC NNDR PROPERTIES 2024-25	2,850	
2024/25 BWP 018 Superannuation Allowances	(160)	
2024/25 BWP 020 Audit Fee	3,340	
2024/25 BWP 021 Bank Charges and Cash Security	560	
2024/25 BWP 023 Healthshield Staff Health Insurance	500	
2024/25 BWP 025 Alarm Call Contract	(4,210)	
2024/25 BWP 027 Enhanced Housing Management Charges	(19,600)	
2024/25 BWP 033 HRA Service Charges	(7,390)	
2024/25 BWP 034 Gas and Electricity Charges	(290,800)	
2024/25 BWP 038 Housing Rent	(3,900)	
2024/25 BWP 039 HRA Sheltered Housing Heating Recharges	(52,870)	
2024/25 BWP 044 Insurances	9,400	
2024/25 BWP 051 Essential Car Users	(36,890)	(424,600)
Pay Adjustments		49,650
Changes in Recharges		-
		<b>(437,860)</b>

## General Fund – Technical Adjustments 2024/25

	Technical Adjustments								
	Budget 2023/24	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	Total Adjusted Base 2024/25
Chief Executive	1,890,420	-	36,850	(33,270)	240	(4,750)	-	(930)	<b>1,889,490</b>
AD Growth & Regeneration	945,870	(19,500)	(80,390)	(16,340)	(13,850)	39,290	-	(90,790)	<b>855,080</b>
ED Organisation	610,280	-	11,000	21,710	15,700	4,780	-	53,190	<b>663,470</b>
AD People	2,445,180	-	(206,160)	25,000	53,950	47,460	-	(79,750)	<b>2,365,430</b>
AD Environment Culture & Wellbeing	3,824,980	-	(279,400)	(2,540)	(56,710)	55,320	-	(283,330)	<b>3,541,650</b>
ED Finance	90,630	-	-	100	(160)	(2,700)	-	(2,760)	<b>87,870</b>
AD Finance	(2,638,720)	32,000	281,290	7,640	(810,440)	44,120	-	(445,390)	<b>(3,084,110)</b>
ED Communities	-	-	-	-	-	-	-	-	-
AD Assets	(125,610)	19,500	1,000	24,120	22,400	19,230	-	86,250	<b>(39,360)</b>
AD Neighbourhoods	875,250	(32,000)	(67,770)	1,000	(11,770)	20,110	-	(90,430)	<b>784,820</b>
AD Partnerships	887,800	-	120,810	(6,580)	(11,270)	27,780	-	130,740	<b>1,018,540</b>
<b>Grand Total</b>	<b>8,806,080</b>	-	<b>(182,770)</b>	<b>20,840</b>	<b>(811,910)</b>	<b>250,640</b>	-	<b>(723,200)</b>	<b>8,082,880</b>

## Housing Revenue Account – Technical Adjustments 2024/25

	Technical Adjustments								
	Budget 2023/24	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	Total Adjusted Base 2024/25
HRA Summary	(4,620,760)	90,840	131,930	199,740	(1,987,010)	-	-	(1,564,500)	(6,185,260)
ED Communities	28,060	-	-	80	(60)	(2,700)	-	(2,680)	25,380
AD People	268,240	-	(27,000)	280	1,510	1,590	-	(23,620)	244,620
AD Environment									
Culture & Wellbeing	391,100	-	-	2,050	(3,170)	13,380	-	12,260	403,360
AD Assets	283,660	-	-	5,030	(169,070)	41,980	-	(122,060)	161,600
AD Neighbourhoods	4,473,180	(90,840)	(18,000)	45,930	(424,600)	49,650	-	(437,860)	4,035,320
Housing Repairs	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>823,480</b>	<b>-</b>	<b>86,930</b>	<b>253,110</b>	<b>(2,582,400)</b>	<b>103,900</b>	<b>-</b>	<b>(2,138,460)</b>	<b>(1,314,980)</b>



## General Fund Summary Budgets – 2024/25

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2023/24 £</b>	<b>Technical Adjustments £</b>	<b>Policy Changes £</b>	<b>Budget 2024/25 £</b>
Chief Executive	1,890,420	(930)	48,360	1,937,850
AD Growth & Regeneration	945,870	(90,790)	(127,890)	727,190
ED Organisation	610,280	53,190	-	663,470
AD People	2,445,180	(79,750)	269,700	2,635,130
AD Environment Culture & Wellbeing	3,824,980	(283,330)	280,450	3,822,100
ED Finance	90,630	(2,760)	-	87,870
AD Finance	(2,638,720)	(445,390)	(50,000)	(3,134,110)
ED Communities	-	0	-	0
AD Assets	(125,610)	86,250	-	(39,360)
AD Neighbourhoods	875,250	(90,430)	-	784,820
AD Partnerships	887,800	130,740	(9,000)	1,009,540
<b>Total Cost of Services</b>	<b>8,806,080</b>	<b>(723,200)</b>	<b>411,620</b>	<b>8,494,500</b>
<b>Transfer from Business Rates Reserve</b>		-	-	0
<b>Net Cost</b>	<b>8,806,080</b>	<b>(723,200)</b>	<b>411,620</b>	<b>8,494,500</b>
Transfer to / (from) Balances	(1,207,869)	749,458	-	(458,411)
Revenue Support Grant	(302,008)	(6,281)	-	(308,289)
Retained Business Rates	(13,581,271)	(282,490)	-	(13,863,761)
Less: Tariff payable	10,686,850	222,286	-	10,909,136
Collection Fund Surplus (Council Tax)	(59,581)	26,581	-	(33,000)
Collection Fund Surplus (Business Rates)	260,300	(260,300)	-	-
<b>Council Tax Requirement</b>	<b>(4,602,501)</b>	<b>273,946</b>	<b>(411,620)</b>	<b>(4,740,175)</b>

General Fund Summary Budgets – 2023/24 to 2028/29

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2023/24</b> £	<b>Budget 2024/25</b> £	<b>Budget 2025/26</b> £	<b>Budget 2026/27</b> £	<b>Budget 2027/28</b> £	<b>Budget 2028/29</b> £
Chief Executive	1,890,420	1,937,850	1,936,480	1,925,390	1,913,880	1,902,090
AD Growth & Regeneration	945,870	727,190	789,840	820,590	877,430	911,870
ED Organisation	610,280	663,470	689,290	710,010	732,060	754,670
AD People	2,445,180	2,635,130	2,774,890	2,843,870	2,914,990	2,982,910
AD Environment Culture & Wellbeing	3,824,980	3,822,100	4,076,550	4,193,890	4,060,830	4,129,680
ED Finance	90,630	87,870	92,660	95,170	97,760	100,380
AD Finance	(2,638,720)	(3,134,110)	34,690	425,000	520,130	721,150
ED Communities	-	0	0	0	0	0
AD Assets	(125,610)	(39,360)	590	(307,370)	(278,360)	(249,370)
AD Neighbourhoods	875,250	784,820	800,890	815,670	830,280	844,620
AD Partnerships	887,800	1,009,540	1,048,360	1,070,230	1,089,650	1,107,170
Recharges	-	0	0	0	0	0
<b>Total Cost of Services</b>	<b>8,806,080</b>	<b>8,494,500</b>	<b>12,244,240</b>	<b>12,592,450</b>	<b>12,758,650</b>	<b>13,205,170</b>
<b>Transfer from Business Rates Reserve</b>	-	0	-	-	-	-
<b>Net Cost</b>	<b>8,806,080</b>	<b>8,494,500</b>	<b>12,244,240</b>	<b>12,592,450</b>	<b>12,758,650</b>	<b>13,205,170</b>
Transfer to / (from) Balances	(1,207,869)	(458,411)	(4,471,828)	(4,602,456)	(4,547,937)	(4,770,580)
Revenue Support Grant	(302,008)	(308,289)	(314,455)	(320,744)	(327,159)	(333,702)
Retained Business Rates	(13,581,271)	(13,863,761)	(15,407,082)	(15,715,224)	(16,029,528)	(16,350,119)
Less: Tariff payable	10,686,850	10,909,136	12,881,073	13,138,695	13,401,468	13,669,498
Collection Fund Surplus (Council Tax)	(59,581)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)
Collection Fund Surplus (Business Rates)	260,300	-	-	-	-	-
<b>Council Tax Requirement</b>	<b>(4,602,501)</b>	<b>(4,740,175)</b>	<b>(4,898,948)</b>	<b>(5,059,721)</b>	<b>(5,222,494)</b>	<b>(5,387,267)</b>

\* Figures include proposed Policy Changes

## Housing Revenue Account 2022/23 to 2028/29

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2023/24</b> £	<b>Budget 2024/25</b> £	<b>Budget 2025/26</b> £	<b>Budget 2026/27</b> £	<b>Budget 2027/28</b> £	<b>Budget 2028/29</b> £
HRA Summary	(4,620,760)	(6,185,260)	(6,189,070)	(6,572,170)	(6,938,810)	(6,014,020)
ED Communities	28,060	25,380	30,160	32,660	35,240	37,850
AD People	268,240	244,620	251,190	254,710	258,340	262,090
AD Environment Culture & Wellbeing	391,100	403,360	419,630	430,380	440,000	449,150
AD Assets	283,660	201,600	212,980	245,210	275,550	304,980
AD Neighbourhoods	4,473,180	4,076,750	3,997,930	4,070,490	4,149,150	4,226,000
<b>Grand Total</b>	<b>823,480</b>	<b>(1,233,550)</b>	<b>(1,277,180)</b>	<b>(1,538,720)</b>	<b>(1,780,530)</b>	<b>(733,950)</b>

\* Figures include proposed Policy Changes

## Draft General Fund Capital Programme 2024/25 to 2028/29

General Fund	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Capital Programme	£	£	£	£	£	£
Capital Repairs Programme - Castle	250,000	-	-	-	-	250,000
Roofing Renewal at Tamworth TEC	63,340	-	-	-	-	63,340
Replacement PC's, Servers and Printers	60,000	60,000	60,000	60,000	60,000	300,000
Endpoint Protection and Web-Email Filter	-	40,000	-	-	-	40,000
Civica EDM System upgrade	149,950	-	-	-	-	149,950
CRM & Customer Portal	20,000	-	-	-	-	20,000
Contact Centre & Telephony	35,000	-	-	-	-	35,000
Street Lighting	120,000	50,960	-	-	-	170,960
Refrubishment of Play Areas	50,000	50,000	50,000	50,000	-	200,000
Balancing Ponds	100,000	300,000	220,000	-	80,000	700,000
Snowdome Footbridge	80,000	-	-	-	-	80,000
Refrubishment of Anker Valley changing rooms to improve facility and address water storage/heating issues.	100,000	-	-	-	-	100,000
GF Capital Salaries	45,000	45,000	45,000	45,000	45,000	225,000
Disabled Facilities Grant	650,000	650,000	650,000	650,000	650,000	3,250,000
Energy Efficiency Upgrades to Commercial and Industrial Units	75,000	75,000	75,000	75,000	75,000	375,000
CCTV Upgrades	45,710	45,710	45,710	-	-	137,130
<b>Total General Fund Capital</b>	<b>1,844,000</b>	<b>1,316,670</b>	<b>1,145,710</b>	<b>880,000</b>	<b>910,000</b>	<b>6,096,380</b>
<b>Proposed Financing:</b>						
Grants - Disabled Facilities	546,890	546,890	546,890	546,890	650,000	2,837,560
General Fund Capital Receipts	4,400	49,400	59,400	45,000	-	158,200
Golf Course Receipts	63,340	-	-	-	-	63,340
Sale of Council House Receipts	294,420	275,420	266,420	-	260,000	1,096,260
General Fund Capital Reserve	220,000	324,960	20,000	-	-	564,960
<b>Unsupported Borrowing</b>	<b>714,950</b>	<b>120,000</b>	<b>253,000</b>	<b>288,110</b>	<b>-</b>	<b>1,376,060</b>
<b>Total</b>	<b>1,844,000</b>	<b>1,316,670</b>	<b>1,145,710</b>	<b>880,000</b>	<b>910,000</b>	<b>6,096,380</b>

## Draft Housing Revenue Account Capital Programme 2024/25 to 2028/29

<u>Housing Revenue Account</u> <u>Capital Programme</u>	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	TOTAL £
Structural Works	200,000	200,000	200,000	200,000	200,000	1,000,000
Bathroom Renewals	575,000	575,000	575,000	575,000	575,000	2,875,000
Gas Central Heating Upgrades and Renewals	685,500	685,500	685,500	685,500	685,500	3,427,500
Kitchen Renewals	700,000	700,000	700,000	700,000	700,000	3,500,000
Major Roofing Overhaul and Renewals	1,750,000	1,500,000	1,500,000	1,500,000	1,500,000	7,750,000
Window and Door Renewals	400,000	400,000	400,000	400,000	400,000	2,000,000
Neighbourhood Regeneration	260,000	200,000	200,000	200,000	200,000	1,060,000
Disabled Facilities Adaptations	250,000	250,000	250,000	250,000	250,000	1,250,000
Disabled Facilities Adaptations - ADDITIONAL FUNDING	450,000	450,000	450,000	450,000	450,000	2,250,000
Rewire	100,000	100,000	100,000	100,000	100,000	500,000
CO2 / Smoke Detectors	64,000	64,000	64,000	64,000	64,000	320,000
Install Fire Doors High Rise	404,800	404,800	404,800	404,800	404,800	2,024,000
High Rise Ventilation System	1,715,280	-	-	-	-	1,715,280
Fire Risk Mitigation Works	300,000	-	-	-	-	300,000
Damp and Mould Works	100,000	100,000	100,000	100,000	100,000	500,000
High Rise Refuse Chute Renewals	150,000	-	-	-	-	150,000
Works to Achieve Zero Carbon	1,000,000	1,000,000	1,000,000	-	-	3,000,000
Sheltered Lifts and Stairlift Renewals	250,000	50,000	50,000	50,000	50,000	450,000
Internal flooring and decoration at Eringden	90,000	-	-	-	-	90,000
Retention of Garage Sites	930,000	-	-	-	-	930,000
Capital Salaries	200,000	200,000	200,000	200,000	200,000	1,000,000
Street Lighting	180,000	76,440	-	-	-	256,440
Regeneration & Affordable Housing	250,000	1,750,000	1,750,000	1,750,000	1,750,000	7,250,000
<b>Total HRA Capital</b>	<b>11,004,580</b>	<b>8,705,740</b>	<b>8,629,300</b>	<b>7,629,300</b>	<b>7,629,300</b>	<b>43,598,220</b>

<u>Housing Revenue Account</u> <u>Capital Programme</u>	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	TOTAL £
<b>Proposed Financing:</b>						
Major Repairs Reserve	4,360,500	3,800,500	3,620,500	3,610,500	3,620,500	19,012,500
HRA Capital Receipts	950,000	200,000	100,000	450,000	340,000	2,040,000
Regeneration Revenue Reserves	3,464,000	2,586,000	2,584,000	2,554,800	2,618,800	13,807,600
Capital Receipts from Additional Council House Sales (1-4-1)	100,000	700,000	700,000	700,000	700,000	2,900,000

Regeneration Reserve	704,800	486,440	370,000	314,000	350,000	<b>2,225,240</b>
Affordable Housing Reserve	625,280	410,000	400,000	-	-	<b>1,435,280</b>
Other	-	-	-	-	-	-
Unsupported Borrowing	800,000	522,800	854,800	-	-	<b>2,177,600</b>
<b>Total</b>	<b>11,004,580</b>	<b>8,705,740</b>	<b>8,629,300</b>	<b>7,629,300</b>	<b>7,629,300</b>	<b>43,598,220</b>

**Key:**



Capital appraisal received with New Scheme for 2024/25 or adjusted figures supplied



Figure agreed to previous years report or ongoing scheme assumed at same amount



Confirmation/updated capital appraisal still required

**Contingencies 2024/25 – 2028/29**

<b>Revenue</b>	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Specific Earmarked & General	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>						
<b>General Contingency</b>						
<i>General Contingency</i>	132	132	132	132	132	132
<b>Total General Contingency</b>	132	132	132	132	132	132
<b>Total GF Revenue</b>	132	132	132	132	132	132
<b>Housing Revenue Account</b>						
<i>HRA - General Contingency</i>	130	130	130	130	130	130
<b>Total HRA Revenue</b>	130	130	130	130	130	130

<b>Capital</b>	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Specific Earmarked & General	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>						
<b>General Contingency</b>	100	-	-	-	-	-
Return on Investment	20	-	-	-	-	-
Plant & Equipment	100	-	-	-	-	-
Castle Curtain Wall	30	-	-	-	-	-
<b>Total GF Capital</b>	250	-	-	-	-	-
<b>Housing Revenue Account</b>						

<b>General Contingency</b>	100	-	-	-	-	-
<b>Total HRA Capital</b>	100	-	-	-	-	-

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