

Appendix B (i)

2024-2028 - General Fund Medium-Term Financial Plan

General Fund Budget	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
General Fund Base Budget	182.458	189.292	194.934	197.496
Legislative / regulatory changes	0.101	0.111	(1.339)	0.101
Inflationary changes (pay and prices)				
- Pay award (Incl. pension)	3.414	2.055	7.843	2.138
- Energy Inflation	(1.721)	0.000	0.000	0.000
- Contractual Inflation	1.008	(0.137)	(0.084)	0.000
- Levies & Precepts	0.499	0.412	0.424	0.436
Commercial Pressures				
- Care Market	3.028	1.604	1.604	1.604
Corporate Pressures				
- Investment & cost of borrowing	(2.580)	2.630	0.924	0.674
- Corporate changes	2.857	4.288	(0.346)	(1.500)
MTFP Projects				
- PR01 – External Partnerships	0.000	0.000	0.000	1.020
- PR02 – Buildings & Asset Management	0.000	0.500	0.000	(0.250)
- PR03 – Public Sector Reform	0.000	0.000	0.000	0.000
- PR04 – Inclusive Education / SEND	1.291	0.000	0.000	0.000
- PR05 – Ambition for Education	0.151	0.000	0.000	0.000
- PR06 – Home to School Transport	1.500	0.000	0.000	0.000
- PR07 – Handling Childrens Finance	5.452	0.384	0.546	1.188
- PR08 – Climate & Waste	(0.700)	(0.111)	(0.023)	0.230
- PR09 – Great Landlord & Specialist Housing	(0.220)	0.070	(0.600)	(0.100)
- PR10 – Health & Social Care (Adults)	3.424	3.156	4.131	5.356
- PR11 – Financial Management	0.040	0.565	1.000	1.268
- PR12 – People & Workforce	0.000	0.000	0.000	0.000
- PR13 – Services to Schools	1.063	(0.214)	(0.230)	(0.247)
Total Net Growth / Pressures / Savings	18.607	15.313	13.850	11.918
Spend Requirement	201.065	204.605	208.784	209.414
Estimated Base Budget Carry Forward	(182.267)	(194.934)	(197.496)	(198.908)
Gap Before Settlement and Resources	18.798	9.671	11.288	10.506

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	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
<u>Provisional Settlement 2024/25</u>				
New Homes Bonus	(0.036)	0.663	0.000	0.000
Fall Out of Services Grant	1.636	0.000	0.307	0.000
Increase to Social Care Grant for 2023/24	(3.122)	(2.286)	22.413	0.000
ASC Market Sustainability	(1.216)	0.000	2.934	0.000
ASC Market Sustainability – Workforce Fund	(0.881)	0.000	0.881	0.000
Ringfenced Discharge Support Grant	(0.895)	0.000	2.238	0.000
Improved Better Care Fund	0.000	0.000	9.579	0.000
Social Care Charging Reform Grant	0.000	0.000	0.696	0.000
Social Care Grants (New Adult Relative Needs Formulae Distribution)	0.000	0.000	(40.199)	(2.177)
Damping	0.000	0.000	3.877	2.321
Business Rates Multiplier Uplift	(1.301)	0.000	0.000	0.000
Council Tax Support Fund – Income	0.427	0.000	0.000	0.000
Council Tax Support Fund – Expenditure	(0.427)	0.000	0.000	0.000
RSG Movement	0.103	0.000	0.000	0.000
Business Rates Top-Up Movement	0.580	0.000	0.000	0.000
NNDR Cost of Collection	(0.002)	0.000	0.000	0.000
Total Change – Provisional Settlement	(5.134)	(1.623)	2.726	0.144
2.99% Council Tax	(3.568)	0.000	0.000	0.000
2% ASC	(2.387)	0.000	0.000	0.000
Increase in Council Tax Base	(2.831)	0.000	0.000	0.000
Collection Fund (CTax & NNDR) Changes	(4.878)	0.000	0.000	0.000
Total Change to Resources	(13.664)	0.000	0.000	0.000
Revised Gap	0.000	8.048	14.014	10.650
Cumulative Gap		8.048	22.062	32.712

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2024-2028 - General Fund Budget Assumptions

Description (Amount)	Legislative/Regulatory related changes (£0.101m in 2024/25)
How have the above amounts been calculated?	The value in 2024/25 represents the reduction in the grant - Housing Benefit Admin Subsidy £0.101m.
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	Changes to Central Government external funding of grants or changes in regulations
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	Changes to Central Government funding and/or regulations
Is there scope to fund this cost pressure from existing resources?	No, there are no underspends in the Budget that can absorb these pressures.
More generally, what is the impact of not agreeing funding for the cost pressure?	The Authority will overspend its budget.

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Description (Amount)	Pay award (£3.414m in 2024/25)
How have the above amounts been calculated?	The annual pay award, £3.414m, calculation is based on an award of 3.5% per employee (including salary, employer's national insurance, and employer's pension contributions).
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	Annual pay award agreed by employers
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	Impact of the 2023/24 award and assumption of a smaller % increase (3.5%) in 2024/25
Does the activity causing the cost pressure need to continue?	Yes, staff are involved in delivering a range of statutory and discretionary services, which are being reviewed as part of the budget setting process for 2024/25.
Is there scope to fund this cost pressure from existing resources?	No, there are no underspends in the Budget that can absorb this pressure.
More generally, what is the impact of not agreeing funding for the cost pressure?	The Authority will overspend its budget.

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Description (Amount)	Levies & Precepts (£0.499m in 2024/25)
How have the above amounts been calculated?	This cost pressure is based on increases in the levies & precepts for 2024/25 based on higher a property base & government direction
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	Increase in the Council property base and government direction
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	Yes, precept levels are based on the taxable property base and government direction
Is there scope to fund this cost pressure from existing resources?	n/a
More generally, what is the impact of not agreeing funding for the cost pressure?	n/a

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Description (Amount)	Energy Inflation (-£1.721m in 2023/24)
How have the above amounts been calculated?	Funding set aside in 2023/24 can be released with inflation rates reducing into 2024/25 suggesting the impact on the cost of energy for the Authority in 2024/25 will be lower.
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	Inflation on payments to providers
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	Cost change is based on likely increases in rates with providers and has been calculated using rates provided by NEPO.
Does the activity causing the cost change need to continue?	Yes, energy required across the Authority's estate.
Is there scope to fund this cost pressure from existing resources?	No, there are no underspends in the Budget that can absorb this pressure.
More generally, what is the impact of not agreeing funding for the cost pressure?	The Authority will overspend its budget.

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Description (Amount)	Contractual (£1.008m in 2024/2025)
How have the above amounts been calculated?	The figures for the 2024/25 figure are based on the price increases set to be incurred in areas such as, External Audit Fees, Coroners Service and Workforce Development
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	Price increases as a result of external market forces.
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	Yes – the Authority is obligated to source disposal of the waste it collects from households.
Is there scope to fund this cost pressure from existing resources?	No, there are no underspends in the Budget that can absorb this pressure.
More generally, what is the impact of not agreeing funding for the cost pressure?	The Authority will overspend its budget.

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Description (Amount)	Care Market (£3.028m in 2024/25)
How have the above amounts been calculated?	This growth requirement is expected to be needed in 2024/25 onwards and is based on estimated client population growth along with known growth pressures for 2024/25 – relating to the Residential Care Market.
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	Increasing adult population (18+) with complex needs.
If the cost pressure is due to increased demand, what evidence exists to support this?	Future population projections and review of those clients or potential currently known to Adult Services.
What, if anything, can be done to mitigate the cost pressure?	Any savings from the services were set out in separate budget proposals.
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	Yes, activity is based on assessed need and is therefore a statutory duty.
Is there scope to fund this cost pressure from existing resources?	No, there are no underspends in the Budget that can absorb this pressure.
More generally, what is the impact of not agreeing funding for the cost pressure?	The Authority will overspend its budget.

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Description (Amount)	Investment Cost of Borrowing (£-2.580m in 2024/25)
How have the above amounts been calculated?	Continued benefits from the Authority's Treasury Management Strategy and the application of the flexible use of capital receipts
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	Interest costs to finance capital & revenue budgets.
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	n/a
Is there scope to fund this cost pressure from existing resources?	n/a
More generally, what is the impact of not agreeing funding for the cost pressure?	n/a

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Description (Amount)	Corporate changes (£2.849m in 2024/25)
How have the above amounts been calculated?	These are the adjustments required to cover the impact of other pressures coming from the Cultural Strategy, Environmental Estates Strategy, general inflationary pressures across the Authority and the replenishment of the Strategic Reserve.
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	These are corporate changes required due to fall out of funding, increased costs pressures and the potential impact that risks crystalise and impact the position in 2024/25.
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	n/a
Is there scope to fund this cost pressure from existing resources?	No, there are no underspends in the Budget that can absorb this pressure.
More generally, what is the impact of not agreeing funding for the cost pressure?	The Authority will overspend its budget.

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Description (Amount)	Provisional Settlement changes (- £5.134m in 2024/25)
How have the above amounts been calculated?	Based on the Provisional Local Government Finance Settlement announced on 18 December 2023
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	This is not a cost pressure; it is a mixture of additional income or the reduction of income following grants falling out or being combined with other grants that forms part of the Provisional Settlement. The detailed breakdown is included in table 4 of the Cabinet cover report.
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	n/a
Is there scope to fund this cost pressure from existing resources?	This is not a cost pressure it is income that forms part of the Provisional Settlement.
More generally, what is the impact of not agreeing funding for the cost pressure?	This is not a cost pressure it is income that forms part of the Provisional Settlement.

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Description (Amount)	Resources changes (-£13.664m in 2024/25)
How have the above amounts been calculated?	Additional increases in the rate of Council Tax and Adult Social Care precept following announcements made in the Autumn Statement on 22 November 2023 and confirmed as the Government's expectations for Authorities in the Provisional Local Government Finance Settlement announced on 18 December 2023. Additional income generated following the completion of the Collection Fund budget for 2024/25.
What is the source of the cost pressure (e.g. increased demand, fall-out of external funding, contractual or other price increases)?	This is not a cost pressure; it is a mixture of additional income through Council Tax increases and resources following the completion of the Council Tax base estimate and the NNDR1 for 2024/25.
If the cost pressure is due to increased demand, what evidence exists to support this?	n/a
What, if anything, can be done to mitigate the cost pressure?	n/a
If the cost pressure is due to increased inflation, what benchmark is being used to assess the price increase?	n/a
Does the activity causing the cost pressure need to continue?	n/a
Is there scope to fund this cost pressure from existing resources?	This is not a cost pressure it is income that forms part of the Provisional Settlement and Collection Fund.
More generally, what is the impact of not agreeing funding for the cost pressure?	This is not a cost pressure it is income that forms part of the Provisional Settlement and Collection Fund.