

# MEDIUM TERM FINANCIAL PLAN - SUMMARY

2023/24 to 2027/28

January 2023

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## REVENUE BUDGET 2022/23 & 2023/24

REVENUE BUDGET 2020/21	Approved Budget 2022/23 £m	Recommended Budget 2023/24 £m
ORGANISATION		
Communications & Customer Service	1.151	1.104
Finance	1.260	1.235
IT	1.810	1.851
ICT - Reserve-funded growth for Strategy implementation	-	0.493
Legal & Governance	2.294	2.406
Organisational Development & HR	0.816	0.716
Corporate Policy, Projects & Performance (incl. environmental sustainability)	0.449	0.429
Property & Commercial	(1.203)	(1.222)
Property & Commercial – growth for issues & risks	-	1.350
PLACE		
Economic Prosperity	0.282	0.277
Neighbourhood Services	5.239	4.336
Place Delivery	0.371	0.326
Planning	0.718	0.593
PEOPLE		
Community Partnerships	1.312	1.184
Housing	1.026	0.926
Revenues, Benefits & Fraud	0.537	0.487
Leisure & Culture	0.538	0.335
SENIOR MANAGEMENT TEAM	0.943	0.988
<b>SERVICE BUDGETS TOTAL</b>	<b>17.544</b>	<b>17.815</b>
<b>CENTRAL BUDGETS</b>	<b>2.437</b>	<b>5.380</b>
<b>NET EXPENDITURE 2020/21</b>	<b>19.980</b>	<b>23.194</b>
Council Tax	15.222	16.293
National Non-Domestic Rates	1.710	3.994
Other Un-ringfenced Grants	1.271	1.930
Grants transferred to Reserves	0.668 (0.668)	0.686 (0.686)
Call on Earmarked Reserves <sup>1</sup>	1.565	0.977
Use of funds from the General Fund Balance to support the 2021/22 revenue Budget <sup>1</sup>	0.212	-
<b>NET SOURCES OF INCOME 2020/21</b>	<b>19.980</b>	<b>23.194</b>
<b>BUDGET GAP</b>	<b>Nil</b>	<b>NIL</b>

NOTE 1: The actual sum to be drawn from Reserves to support the budget will depend on the budget outturn position for the year.

## MEDIUM TERM REVENUE BUDGET FORECAST 2023/24 to 2027/28

MEDIUM TERM REVENUE BUDGET FORECAST	Approved Budget 2020/21  £m	Cumulative Impact 2023/24  £m	Cumulative Impact 2024/25  £m	Cumulative Impact 2025/26  £m	Cumulative Impact 2026/27  £m	Cumulative Impact 2027/28  £m
<b>2022/23 Budget Requirement</b>	<b>19.980</b>					
Service Budgets – Pay & NI Increase		1.500	2.750	3.750	4.750	5.750
Service Budgets – net service growth / savings 2022/23		(1.547)	(1.547)	(1.547)	(1.547)	(1.547)
Service Risks, Issues & Opportunities		2.407	0.833	0.852	1.002	0.852
Net new sources of Income – Planned Developments (net)		0.000	(0.250)	(0.400)	(0.500)	(0.800)
Central Budgets - Treasury Management – net borrowing costs		(0.900)	(0.900)	(0.900)	(0.900)	(0.900)
Central Budgets – other changes		(0.136)	(0.136)	(0.136)	(0.136)	(0.136)
Central Budgets – Employer Pension Costs		1.890	1.869	1.919	1.919	1.919
<b>Council Tax</b>						
2.99% increase per Band D equivalent plus impact of forecast taxbase		(1.071)	(1.466)	(2.132)	(2.824)	(3.545)
<b>Business Rates (NDR) including impact of ‘Negative RSG’</b>		(2.284)	1.390	0.700	0.200	0.300
<b>Grants and Reserves</b>						
Net call on Grants and Reserves		0.141	0.499	0.480	0.330	0.480
<b>Forecast Gap at November 2021 Compared to 2021/22 Budget<sup>1</sup></b>	<b>-</b>	<b>0</b>	<b>3.042</b>	<b>2.586</b>	<b>2.294</b>	<b>2.373</b>
Annual Increase in Gap		nil	3.042	(0.456)	(0.292)	0.079
Gap as % of 2020/21 budget requirement		n/a	15.23%	12.94%	11.48%	11.88%

## EXTRACT: STRATEGIC RISK REGISTER STRATEGIC FINANCIAL RISKS

SR2	Financial sustainability	RED
<b>Description</b>	<p>The effects of the Covid-19 pandemic, coupled with current adverse macroeconomic conditions and the wider local government funding context, have created conditions of unprecedented financial uncertainty and challenge for the Council.</p> <p>The Council is therefore increasingly reliant on generating additional income and identifying savings and efficiencies from existing budgets. If not mitigated, these financial challenges risk an adverse impact on the Council's ability to deliver its Corporate Plan objectives</p>	
<b>Owner</b>	<b>Portfolio Holder</b>	Cllr Schofield
	<b>Officers</b>	Pat Main
<b>Controls</b>	<p>The Council will continue to ensure that strong financial management arrangements are in place and will continue investment in skills and expertise to support the delivery of the Council's financial and commercial objectives while managing risks.</p> <p>The Medium-Term Financial Plan (MTFP) sets out the forecast budget challenges over the coming five years and forms the basis for service and financial planning, while the Capital Investment Strategy provides an overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of Council services and how associated risk is managed.</p> <p>The budget pressures identified by the MTFP will be addressed by the Council's Financial Sustainability Programme. The Commercial Strategy sets out the commercial activity the Council will consider, provide a framework on option evaluation, and provide the basis on which commercial decision making will be made.</p> <p>The Annual Revenue Budget sets out funding allocations for the current year and confirms officer accountability for ensuring that expenditure and income are managed within limits approved by Members. In year budget monitoring reports confirm compliance with these limits and report any action required to manage budget variances.</p> <p>The Treasury Management Strategy helps ensure that investments achieve target returns within approved security and liquidity limits and that borrowing to fund the Capital Programme is affordable.</p> <p>Internal audit will be utilised to review the approach taken to secure financial sustainability.</p>	
<b>Mitigating actions/progress</b>	<p>In addressing its significant financial challenges, the Council has established a Financial Sustainability Programme. This programme</p>	

SR2		Financial sustainability	RED	
		<p>will take the form of a series of ambitious initiatives that reduce costs and/or increase income, enabling the Council to set a balanced budget reducing need to draw on reserves. Key to this will be looking at delivering services differently to realise savings and/or increase income, as well as embedding lasting cultural change across the organisation.</p> <p>The programme is premised on the following:</p> <ol style="list-style-type: none"> <li><b>1. Projects</b> – new ideas and opportunities for generating income and/or making savings.</li> <li><b>2. Service and financial planning (2023/24 onwards)</b> – for all budget areas, reviewing the services delivered and the associated budgetary requirements. Ensuring that there is a clear justification for all services delivered and that budgets are set accordingly. Opportunities for delivering services in a different way to unlock savings will also be explored.</li> <li><b>3. Fees and charges</b> – carrying out a fundamental review to ensure the full application of the fees and charges policy across the Council.</li> </ol> <p>Updates to the programme will be reported to the Overview and Scrutiny Committee and Executive.</p> <p>An updated MTFP was reported to the Overview and Scrutiny Committee and Executive in November 2022 . This update confirmed that the risk of increasing costs, driven by inflationary pressures in the wider economy and disruption of the global supply chain, presents an increasing challenge to the Council's financial sustainability.</p> <p>This is especially notable for the goods and services that the Council relies on to maintain service delivery. The Council continues to ensure the most financially advantageous/sustainable option is selected when procuring goods and services and, wherever possible, the Council will ensure that increased costs are reflected in the fees and charges levied or compensating budget savings will be sought. Energy costs have also escalated following the most recent contract renewals and the extent of Government financial support to offset the impacts is currently uncertain.</p>		
Score	Likelihood	More than likely	Direction of travel	-
	Impact	Significant		
Status		Treat		
Last update		14 October 2022		