

## **STRATEGIC FINANCIAL PLANNING FOR 2025/26 BUDGET**

<b>Head of Service:</b>	Brendan Bradley, Chief Finance Officer
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?</b>	No
<b>Appendices (attached):</b>	Appendix 1 – Financial Planning Timetable Appendix 2 – Revenue Budget Forecast Appendix 3 – Efficiency Plan

### **Summary**

This report seeks guidance on the approach to producing the Council's budget for 2025/26.

### **Recommendation(s)**

**The Group is asked to recommend to Strategy & Resources Committee:**

- (1) The proposed approach to 2025/26 budget setting as set-out in sections 7 and 8 of this report;**
- (2) That officers work to progress the workstreams set out in section 7 of this report, to produce specific income generation and savings options, in addition to savings already targeted;**
- (3) That the proposed Five Year Plan and the budget process are aligned to ensure that any commitments are affordable;**
- (4) The budget reporting timetable in Appendix 1.**

## **1 Reason for Recommendation**

- 1.1 Approving the recommendations will provide a clear framework for the Council to develop its budget for 2025/26. Strategy and Resources Committee has agreed one of its key priorities is to achieve financial stability for the Council.

## **2 Background**

- 2.1 The Medium Term Financial Strategy (MTFS) 2024-28 was agreed at Full Council in February 2024. The MTFS aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan. This report proposes the approach needed to achieve a balanced budget for 2025/26 and future years during the term of the financial strategy.
- 2.2 The report proposes revenue and capital budget reporting timetables for preparing the 2025/26 budget.

### **3 Financial Position 2023/24**

- 3.1 The Council is among a minority within Surrey to have audited accounts up to 31 March 2023, and has prepared unaudited accounts for 2023/24 which will be subject to audit over the summer.
- 3.2 The draft revenue outturn for 2023/24 shows that expenditure exceeded income by £121,000. An appropriation for this amount has been made from the general fund working balance and as at the end of 2023/24 the balance on this reserve was £2.99 million.
- 3.3 The Council had an approved capital programme of £5.1 million for 2023/24 and spent £2.2m with the majority of the unspent capital programme expected to be carried forward in to 2024/25. The level of uncommitted capital receipts reserves stood at £2.2m at the end of 2023/24.
- 3.4 More detail on the Council's financial performance for 2023/24 will be provided in the Provisional Financial Outturn report to Strategy & Resources Committee at the end of July.

### **4 Budgeted Position for 2024/25**

- 4.1 The 2024/25 budget provides a good platform for budget planning. The service estimate, agreed by Council in February this year, required £2.3m of strategic reserves to fund services and balance the budget. Of this contribution from reserves, £1.7m was to fund non-recurring items (ie one-off factors such as the collection fund deficit due to government business rate relief announcements) and £0.6m was to fund an underlying budget gap. Shortly after the budget papers were produced, government announced an additional £96,000 funding for this authority, which reduces the underlying budget gap to £0.53m for 2024/25 and has been factored into the updated estimates provided at Appendix 2.
- 4.2 The approved budget includes a £500,000 revenue contribution to assist in the funding of the annual capital programme.

- 4.3 The Council is also expected to benefit from additional retained business rates by £150,000 in 2024/25 due to being invited to participate in the Surrey/Sutton Business Rate Pool. However, the invitation is for 2024/25 only, and not beyond.
- 4.4 The Council also set aside a c.£500,000 provision in 2024/25's budget, which acts as a contingency to mitigate financial risk, enabling the Council to fund elevated utility and operational costs due to elevated inflation.

## 5 Revenue Reserves

- 5.1 The current level of revenue reserves is reported to FSAG as a separate agenda item.
- 5.2 The Council uses its reserves proactively to manage risks, to invest in service transformation for the future, or to respond to unexpected events or emerging needs. Generally, reserves should not be used to fund day-to-day services on an ongoing basis, as reserves would eventually become depleted without a plan for replenishing them.
- 5.3 The 2024/25 budget plans to use c.£0.5m from the Council's reserves to balance an underlying deficit, which was considered a reasonable approach in the short term, as this use of reserves has provided the Council with time to consider a scheduled review of services (due to be reported to S&R Committee in July).
- 5.4 In agreeing to temporarily use reserves to fund 2024/25's budget, members supported this approach to identify savings to remove unsustainable reliance on reserves to fund the day-to-day revenue services.
- 5.5 The importance of removing reliance on reserves has been recently reiterated by the Council's external auditors, Grant Thornton, whose 2022/23 Annual Auditor's Report (dated March 2024) recommends:
- 5.6 *"The Council should continue to acknowledge the importance of seeking ways other than use of reserves to manage the financial budget gap in the medium term, given the finite nature of reserves. The challenges will continue so the need for the structured and disciplined approach to managing finances and reserves will continue to be crucial".*

## 6 Budgeted Forecast 2025/26 and Beyond

- 6.1 The 2024/25 local government finance settlement appeared to largely represent a 'holding position' until the next Parliament. As part of the settlement, Government also ruled out a business rates reset and a 'Fair Funding Review' until at least 2025/26, which should provide the Council with relative external funding stability until then. In addition, late in the budgeting process government announced an additional £96,000 funding for EEBC, which is included in the updated forecast at Appendix 2, and summarised in the following table:

Budget Forecast	<u>2024/25</u> <u>Agreed</u> <u>Budget</u>	<u>2025/26</u> <u>Forecast</u>	<u>2026/27</u> <u>Forecast</u>	<u>2027/28</u> <u>Forecast</u>	<u>2028/29</u> <u>Forecast</u>
	£000	£000	£000	£000	£000
Net Cost of Service b/f (before interest and planned use of reserves)	11,393	12,457	12,041	12,118	12,252
Pay & Prices Increases	1,482	699	713	728	742
Service Changes and Pressures	394	-476	70	100	-100
Increases in Fees & Charges	-456	-483	-256	-264	-272
Identified savings	-356	-156	-450	-430	0
<b>Forecast Net Cost of Services</b>	<b>12,457</b>	<b>12,041</b>	<b>12,118</b>	<b>12,252</b>	<b>12,622</b>
Interest on Balances	-1,125	-1,000	-875	-750	-750
Use of New Homes Bonus	-225	0	0	0	0
Transfer from Collection Fund Reserve	-974	0	0	0	-250
Contribution from Property Income Equalisation Reserve	-700	0	0	0	0
Contribution from Corporate Projects Reserve	-528	0	0	0	0
Transfer from Working Balance (-)	0	0	0	0	0
<b>Forecast Net Expenditure</b>	<b>8,905</b>	<b>11,041</b>	<b>11,243</b>	<b>11,502</b>	<b>11,622</b>
Retained Business Rates Forecast	1,749	1,784	1,820	1,856	1,392
Compensation for underindexing the business rates multiplier	292	301	306	312	318
Council Tax Income Forecast	7,636	7,904	8,182	8,470	8,767
Council Tax Surplus	58	0	0	0	0
Retained Business Rates Surplus	-1,037	0	0	0	0
Revenue Support/Other Grants	207	479	415	423	425
<b>External Funding*</b>	<b>8,905</b>	<b>10,468</b>	<b>10,723</b>	<b>11,061</b>	<b>10,902</b>
<i>Funding Shortfall / Savings to be Identified</i>	<i>0</i>	<i>573</i>	<i>520</i>	<i>440</i>	<i>720</i>

6.2 It can be seen that the updated forecast anticipates that savings/additional income of c.£0.5 million per annum will be needed through to 2027/28 to achieve a balanced budget at the end of this period. Key assumptions within the forecast are as follows:

6.2.1 Annual staff pay inflation (i.e. the 'cost of living' uplift) and prices inflation are forecast at 2% per annum. This assumption will be updated when any new pay deal is agreed.

6.2.2 Fees and charges income is forecast to increase by 6% in 2025/26, then by 3% per annum (CPI +1%) until 2027/28, as per the Medium Term Financial Strategy agreed at Full Council in February 2024.

- 6.2.3 Council tax increases are forecast at 3% per annum for a Band D equivalent.
  - 6.2.4 Treasury management investment income earned on reserves is projected to achieve a 4% annual return in 2025/26, reducing to 3% by 2027/28 as base rates (set by the Bank of England) are expected to decrease.
  - 6.2.5 Revenue funding towards the financing of a sustainable capital programme is forecast to increase to £550,000 per annum by 2026/27.
  - 6.2.6 Existing agreed savings totalling £1.4m will be delivered between 2024/25 and 2027/28, as set-out in the Efficiency Plan at Appendix 3.
  - 6.2.7 Commercial property income will continue to be collected in line with existing lease agreements. In particular, the forecast assumes that rental income at the Council's subsidiary's Bracknell property (Arlington Square) will increase from half rent to the full annual rent of £1.77m from 1 April 2025, in line with the lease agreed at S&R Committee in March 2023.
  - 6.2.8 Retained income from business rates and government grants is forecast to remain broadly stable until 2027/28, with the Fair Funding Review starting to adversely impact this funding stream from 2028/29. However, there is a specific risk that if central government's ongoing Fair Funding Review were implemented sooner, either by the current or a new incoming government, this income stream could reduce earlier than 2028/29.
- 6.3 The Fair Funding Review was being undertaken by the Conservative central government to re-assess the distribution of government and business rates funding between councils. When complete, it had been expected to favour unitary and upper tier councils, ahead of districts such as Epsom & Ewell Borough Council. However, with a General Election taking place on 4 July 2024, there is uncertainty regarding any incoming government's plans. As such, these forecasts will be updated and reported back to members when any new government policy becomes clear.
- 6.4 The highest service financial risks are considered to be the reliance on higher risk income streams from commercial property, the impact of increased inflation on the Council's costs and income streams, and the potential for increased demands for housing and homelessness prevention.

## **7 Approach to Achieving a Sustainable Balanced Budget**

- 7.1 Officers have drafted a work programme to assist in addressing the £0.5m annual funding shortfall for 2025/26, rising to £0.7m by 2028/29 as set out in Table 1.
- 7.2 The key features of the programme comprise:-
  - 7.2.1 Service reviews focusing primarily on discretionary services to be considered at Strategy & Resources in July 2024, with the aim of increasing efficiencies and effectiveness whilst reducing cost.
  - 7.2.2 Ongoing review of existing asset utilisation to realise cost reductions in Council operational buildings and increased income from investment properties.
  - 7.2.3 Officers to be tasked with identifying further efficiencies and opportunities, although these are becoming harder to achieve after over a decade of austerity.
  - 7.2.4 A base review, which entails reviewing the year end position for 2023/24, identifying any potential savings, additional cost pressures and areas where savings can be developed.
  - 7.2.5 Continue to investigate and bring forward income streams which maximise revenue from new and existing services, such as invest to save opportunities. Ensure any new powers are considered to generate additional income for the Council, such as any new charging policy for waste.
  - 7.2.6 Undertake a review of reserves to be reported to Financial Strategy Advisory Group to seek support for recommended minimum reserve balances (see separate agenda item 4).
  - 7.2.7 A target to increase fees and charges income by 6% in 2025/26 (as previously agreed at Full Council in February 2024), then by CPI+1% from 2026/27 onwards. Increased income can come from higher volumes and does not necessarily have to be through increasing the published fee. Heads of Service review fees and charges annually to ensure any increases are achievable and report to policy committees for approval.
  - 7.2.8 To maximise external funding and partnership opportunities, for example submitting grant applications as opportunities arise.

## **8 New Five Year Plan and Budget**

- 8.1 Available resources will need to be matched to deliverables within any new corporate plan, to ensure that objectives within the plan are prioritised, resourced and deliverable. To achieve this, the proposed Five Year Plan and budget setting process will need to be in alignment with each other.

- 8.2 It is proposed that owing to the Council's projected budget deficit, any additional new revenue growth items (i.e. service enhancements resulting in increased net expenditure) supported by Policy Committees will need to be fully funded from existing budgets.

## 9 Timetable for Delivery of 2025/26 Budget

- 9.1 A proposed formal committee timetable for the revenue and capital programme is presented at Appendix 1.
- 9.2 In addition to the formal committee meetings, officers will maintain engagement with Policy Chairs throughout the budgeting process.
- 9.3 The Council needs to make significant progress in achieving a balanced budget with no reliance on revenue reserves to fund the delivery of services. Based on the latest forecasts, the Council is anticipating a funding shortfall of £0.7m by 2028/29.

## 10 Risk Assessment

Legal or other duties

### 10.1 Risk Assessment

- 10.1.1 The Council has a statutory duty to set a balanced budget each year, demonstrating how planned expenditure on services will be fully funded.
- 10.1.2 Should the Council not progress the proposed budget strategy and fail to achieve a significant net reduction in its cost of services, there is a clear risk that reserves will continue to diminish with the Council eventually becoming unable to set a balanced budget.
- 10.1.3 A full budget risk assessment will be presented to Full Council alongside the final 2025/26 budget proposals in February 2025.
- 10.1.4 There is particularly heightened risk around commercial property and leisure centre income in the current environment. Should a tenant leave or rent reductions have to be agreed to retain them, the Council's budget deficit could increase significantly (this applies both for property owned by the Council and its subsidiary, EEPIC), and in the event of tenant departure, the Council would become liable for running and maintenance costs while a new tenant is found. To mitigate this risk, officers proactively engage with tenants and the Council holds the Property Income Equalisation Reserve as a buffer to mitigate the risk of income loss in the short term.
- 10.1.5 In addition, the risk of increasing homelessness expenditure remains significant, with the Council pursuing its Homelessness Reduction Action Plan to mitigate this pressure.

10.2 Crime & Disorder

10.2.1 None arising from the contents of this report.

10.3 Safeguarding

10.3.1 None arising from the contents of this report.

10.4 Dependencies

10.4.1 The Council's proposed Five Year Plan should be set to be deliverable within the Council's available financial resources.

10.5 Other

10.5.1 None arising from the contents of this report.

## 11 Financial Implications

11.1 The provisional financial outlook for 2025/26 and future years is covered in this report.

11.2 In preparing the Council's 2025/26 budget, the Council will also need to approve a new pay policy, enabling details from the new approved policies to be incorporated into the budget.

11.3 The Council has adequate resources to carry out a budget review supporting the delivery of the efficiency plan. Should the Council require a more comprehensive review of services, additional resources and expertise may be required.

11.4 **Section 151 Officer's comments:** The 2025/26 budget must ensure that the Council's finances are sustainable whilst delivering the priorities of the Council.

## 12 Legal Implications

12.1 The Council has a statutory responsibility to set a balanced budget each year.

12.2 The provisions of section 25 of the Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The report will be formally made to the Council's budget setting meeting in February.

12.3 **Monitoring Officer's Comments:** None arising from the contents of this report.

### 13 Policies, Plans & Partnerships

- 13.1 **Council's Key Priorities:** The following Key Priorities are engaged:  
Effective Council.
- 13.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 13.3 **Climate & Environmental Impact of recommendations:** Funding of the Climate Change Action Plan is determined on a business case basis, as funding opportunities arise.
- 13.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 13.5 **Partnerships:** None arising from the contents of this report.

### 14 Background papers

- 14.1 The documents referred to in compiling this report are as follows:

**Previous reports:**

- 2024/25 Budget Report to Full Council, February 2024

**Other papers:**

- [Medium Term Financial Plan 2024-2028](#)

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**APPENDIX 1 - REVENUE BUDGET PLANNING 2025/26 - REPORTING TIMETABLE**

<b>MONTH</b>	<b>TOPIC</b>	<b>REPORT TO</b>	<b>OBJECTIVE</b>
<b>JULY 2024</b>	Provisional Financial Outturn for 2023/24	Strategy & Resources Committee	Report unaudited outturn figures for last year Agree year end transfers for 2023/24 to/from strategic reserves
	Financial Planning for 2025/26	Strategy & Resources Committee	Update Four Year Budget Forecast Set Budget Targets for 2025/26 Agree financial planning strategy Confirm budget reporting timetable
	Service Reviews	Strategy & Resources Committee	Agree schedule of services to be reviewed
<b>SEPT &amp; OCT 2024</b>	Budget Targets 2025/26	Policy Committees	Communicate budget targets for 2024/25 and guidance on the preparation of service budget reports
	2023/24 Audited Financial Statements & Audit Findings	Audit & Scrutiny Committee	Report audited financial position for the year ended 2023/24
	First Quarter Budget Monitoring for 2024/25	Audit & Scrutiny Committee	Report revenue and capital quarter 1 forecast outturn
<b>NOV 2024</b>	Second Quarter Budget Monitoring	Audit & Scrutiny Committee	Report revenue and capital quarter 2 forecast outturn
	Budget Update	Strategy & Resources Committee	Update on budget preparation and local government funding (if required)
<b>JAN 2025</b>	Service Estimates	Policy Committees	Recommend service budgets to Council
<b>FEB 2025</b>	Third Quarter Budget Monitoring	Audit & Scrutiny Committee	Report revenue and capital quarter 3 forecast outturn for 2024/25
	Local Govt. Finance Settlement 2025/26	Financial Strategy Advisory Group	Guidance on Council Tax Options following announcement of grant settlement / business rates
	Treasury Management Strategy	Financial Strategy Advisory Group	Update of Financial Plan Recommend the Treasury Management Strategy to Full Council for approval

**Agenda Item 3  
Appendix 1**

MONTH	TOPIC	REPORT TO	OBJECTIVE
	Budget Meeting	Full Council	Council Tax and Budget decisions

**CAPITAL PROGRAMME REVIEW 2025/26 - REPORTING TIMETABLE**

<b>MONTH</b>	<b>TOPIC</b>	<b>REPORT TO</b>	<b>OBJECTIVE</b>
<b>JUNE 2024</b>	Capital Programme	Member Briefing	To brief members on the capital programme and resources
<b>SEPT to NOV 2024</b>	2025/26 Capital Proposals	Financial Strategy Advisory Group	To assess 2025/26 capital proposals and an indicative programme for 2026/27 to 2029/30
<b>JAN 2025</b>	Capital Project Appraisals	Policy Committees	Recommend capital schemes to Council
<b>FEB 2025</b>	Budget 2025/26: Capital Programme	Full Council	Approve capital programme for 2025/26 and updated provisional programme 2026/27 to 2029/30
<b>MARCH 2025</b>	Publish Capital Programme		

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## REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Updated for 2025/26 Budget										
FOUR YEAR BUDGET PROFILES	MTFS				FORECAST					
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Budget	Forecast								
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>NET SPEND B/F FROM PREVIOUS YEAR</b>	<b>8,290</b>	<b>8,905</b>	<b>11,041</b>	<b>11,243</b>	<b>11,502</b>	<b>11,622</b>	<b>12,199</b>	<b>12,783</b>	<b>13,434</b>	<b>13,821</b>
add back: Use of New Homes Bonus in Previous Year	0	225	0	0	0	0	0	0	0	0
add back: Interest on Balances as credited to the revenue account in previous year	720	1,125	1,000	875	750	750	750	750	750	750
add back: Use of Reserves/Provisions in Previous Year	2,383	2,202	0	0	0	250	150	50	0	0
<b>Net Expenditure on Services before changes (Base Budget excluding use of interest on balances and use of working balance)</b>	<b>11,394</b>	<b>12,457</b>	<b>12,041</b>	<b>12,118</b>	<b>12,252</b>	<b>12,622</b>	<b>13,099</b>	<b>13,583</b>	<b>14,184</b>	<b>14,571</b>
<b>Allowance for Pay and Price Inflation</b>										
General Inflation - price base	+500	+210	+214	+218	+223	+227	+232	+236	+241	+246
General Inflation - pay base	+982	+489	+499	+509	+519	+530	+540	+551	+562	+573
<b>Prices Increases net of Increased Fees &amp; Charges</b>	<b>+1,482</b>	<b>+699</b>	<b>+713</b>	<b>+728</b>	<b>+742</b>	<b>+757</b>	<b>+772</b>	<b>+788</b>	<b>+803</b>	<b>+819</b>
<b>Increases in costs / Reductions in income</b>										
Pension Fund Valuation 2022	-57	-61								
Provision for members allowances	+94									
Impact of Covid										
Change in national insurance contributions										
Net reduction in income from commercial property										
Increase in debt repayments	+26	+27	+27	+28	+29	+29	+30	+31	+32	+32
Increase in provision for property maintenance										
Local elections	-80			+100	-100			+110	-110	
Provision for increased IT revenue costs	+209	-55	+10							
Funding of projects within the capital programme	+0	+90	-40							
Provision for increased cost of living	+0	+100	+100							
Loss of 70 East Street tenant										
Parkside House income	-566									
Increased cost of homelessness	+300									
Reduced planning fee income	+100									
Loss of on-street parking income	-137									
Changes to EEPIC Dividend	+674	-727	-27	-28	-29	-29	-30	-31	-32	-32
Increased cost of external audit fees nationally										
Contingency for elevated utilities and contract inflation										
Other	-170									
Savings to be identified to finance rebasing exercise										
<b>Increases in costs / Reductions in income</b>	<b>+393</b>	<b>-626</b>	<b>+70</b>	<b>+100</b>	<b>-100</b>	<b>+0</b>	<b>+0</b>	<b>+110</b>	<b>-110</b>	<b>+0</b>
<b>Changes to External Funding</b>										
2023/24 & 2024/25 Surrey Business Rates Pool	+0	+150								
Removal of Local Council Tax Support Admin Grant										
2022/23 Government Services Grant										
<b>Changes to External Funding</b>	<b>+0</b>	<b>+150</b>	<b>+0</b>							
<b>New Homes Bonus</b>										
Estimated New Homes Bonus	-498	+0	+0	+0	+0	+0	+0	+0	+0	+0
Transfer to Corporate Project Reserve	+273	+0	+0	+0	+0	+0	+0	+0	+0	+0
<b>NHB Funding used to support General Fund services</b>	<b>-225</b>	<b>+0</b>								
<b>Cost Reduction Plan</b>										
2020 Star Chambers										
2022 Star Chambers										
Efficiency/Cost Reduction Plan	-356	-156	-450	-430						
Homelessness savings target										
<b>Cost Reduction Plan</b>	<b>-356</b>	<b>-156</b>	<b>-450</b>	<b>-430</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>

FOUR YEAR BUDGET PROFILES	MTFS				FORECAST					
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Budget £000	Forecast £000								
<b>Contributions from Reserves/Provisions</b>										
Funding from Collection Fund Equalisation Reserve	-974				-250	-150	-50			
Contribution from Property Income Equalisation Reserve	-700									
Funding from Corporate Projects Reserve	-528									
	<b>-2,202</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>-250</b>	<b>-150</b>	<b>-50</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>
<b>Fees and Charges</b>										
Increased yield on discretionary Fees and Charges	-456	-483	-256	-264	-272	-280	-288	-297	-306	-315
	<b>-456</b>	<b>-483</b>	<b>-256</b>	<b>-264</b>	<b>-272</b>	<b>-280</b>	<b>-288</b>	<b>-297</b>	<b>-306</b>	<b>-315</b>
<b>Interest on Balances (excludes interest credited to strategic reserves)</b>										
Cash Investments (average)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Assumed return	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Total Interest Forecast	-1,125	-1,000	-875	-750	-750	-750	-750	-750	-750	-750
<b>Interest credited to General Fund to Finance Services</b>	<b>-1,125</b>	<b>-1,000</b>	<b>-875</b>	<b>-750</b>						
<b>SUMMARY OF FORECASTS</b>										
<b>Net Expenditure on Services before changes (Base Budget excluding use of interest on balances and use of working balance)</b>	<b>11,394</b>	<b>12,457</b>	<b>12,041</b>	<b>12,118</b>	<b>12,252</b>	<b>12,622</b>	<b>13,099</b>	<b>13,583</b>	<b>14,184</b>	<b>14,571</b>
<b>Price Increases (inflation)</b>	<b>+1,482</b>	<b>+699</b>	<b>713</b>	<b>+728</b>	<b>+742</b>	<b>+757</b>	<b>+772</b>	<b>+788</b>	<b>+803</b>	<b>+819</b>
<b>Increases in costs / Reductions in income</b>	<b>+393</b>	<b>-626</b>	<b>70</b>	<b>+100</b>	<b>-100</b>	<b>+0</b>	<b>+0</b>	<b>+110</b>	<b>-110</b>	<b>+0</b>
<b>Changes to External Funding</b>	<b>+0</b>	<b>+150</b>	<b>0</b>	<b>+0</b>						
<b>NHB Funding used to support General Fund services</b>	<b>-225</b>	<b>+0</b>	<b>0</b>	<b>+0</b>						
<b>Cost Reduction Plan</b>	<b>-356</b>	<b>-156</b>	<b>-450</b>	<b>-430</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>
<b>Contributions from Reserves/Provisions</b>	<b>-2,202</b>	<b>+0</b>	<b>0</b>	<b>+0</b>	<b>-250</b>	<b>-150</b>	<b>-50</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>
<b>Fees and Charges</b>	<b>-456</b>	<b>-483</b>	<b>-256</b>	<b>-264</b>	<b>-272</b>	<b>-280</b>	<b>-288</b>	<b>-297</b>	<b>-306</b>	<b>-315</b>
<b>Interest credited to General Fund to Finance Services</b>	<b>-1,125</b>	<b>-1,000</b>	<b>-875</b>	<b>-750</b>						
<b>Forecast Net Cost of Services</b>	<b>8,905</b>	<b>11,041</b>	<b>11,243</b>	<b>11,502</b>	<b>11,622</b>	<b>12,199</b>	<b>12,783</b>	<b>13,434</b>	<b>13,821</b>	<b>14,325</b>
<b>Projected Outturn variance</b>										
<b>Revised Net cost of Services</b>	<b>8,905</b>	<b>11,041</b>	<b>11,243</b>	<b>11,502</b>	<b>11,622</b>	<b>12,199</b>	<b>12,783</b>	<b>13,434</b>	<b>13,821</b>	<b>14,325</b>
<b>SETTLEMENT ASSESSMENT FUNDING FORECAST</b>										
<b>RSG</b>	+56	+58	+59	+60	+62	+63	+64	+65	+67	+68
<b>Lower Tier Services Grant</b>	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
<b>Retained Business Rates</b>	1,749	1,784	1,820	1,856	1,392	1,260	1,125	1,148	1,171	1,194
Business Rate Multiplier Underindexation Grant	292	301	306	312	318	325	331	338	345	351
Services Grant	10	9	9	9	9	9	9	9	9	9
CSP Minimum Guaranteed Funding	141	412	347	354	354	354	354	354	354	354
<b>Formula Grant / Business Rate Retention</b>	<b>2,248</b>	<b>2,564</b>	<b>2,541</b>	<b>2,592</b>	<b>2,135</b>	<b>2,011</b>	<b>1,884</b>	<b>1,914</b>	<b>1,945</b>	<b>1,977</b>
Base Income from Council Tax	7,361	7,636	7,904	8,182	8,470	8,767	9,075	9,394	9,724	10,066
Increase in council tax base (0.5% per annum from 2025/26)	+53	+38	+40	+41	+42	+44	+45	+47	+49	+50
	<b>7,414</b>	<b>7,674</b>	<b>7,944</b>	<b>8,223</b>	<b>8,512</b>	<b>8,811</b>	<b>9,120</b>	<b>9,441</b>	<b>9,773</b>	<b>10,116</b>
Forecast for increase in Council Tax income (3% per annum)	+222	+230	+238	+247	+255	+264	+274	+283	+293	+303
<b>Council Tax Income Forecast</b>	<b>7,636</b>	<b>7,904</b>	<b>8,182</b>	<b>8,470</b>	<b>8,767</b>	<b>9,075</b>	<b>9,394</b>	<b>9,724</b>	<b>10,066</b>	<b>10,419</b>
Surplus / (Deficit) on Retained Business Rates	-1,037	0	0	0	0	0	0	0	0	0
Council Tax Surplus / (Deficit)	58	0	0	0	0	0	0	0	0	0
<b>Assumed Collection Fund Income (Formula Grant + Council Tax)</b>	<b>8,905</b>	<b>10,468</b>	<b>10,723</b>	<b>11,061</b>	<b>10,902</b>	<b>11,085</b>	<b>11,278</b>	<b>11,638</b>	<b>12,011</b>	<b>12,396</b>
<b>Actual/Forecast Budget Shortfall (required use of working balance)</b>	<b>0</b>	<b>573</b>	<b>520</b>	<b>440</b>	<b>720</b>	<b>1,114</b>	<b>1,505</b>	<b>1,796</b>	<b>1,811</b>	<b>1,930</b>
<b>GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION</b>										
Estimated Working Balance b/f	3,019	3,019	2,446	1,926	1,485	765	-349	-1,854	-3,650	-5,460
Resulting Working Balance c/f	3,019	2,446	1,926	1,485	765	-349	-1,854	-3,650	-5,460	-7,390

**UPDATED EFFICIENCY PLAN - 2024/25 to 2027/28**

	2024/25	2025/26	2026/27	2027/28	Total £'000
	£'000	£'000	£'000	£'000	
Operational efficiencies and income generation	27	58	50	-	135
<b>Strategy &amp; Resources Committee</b>					
Commercial property rent reviews	249	38	-	-	287
Review of Town Hall	-	-	-	400	400
<b>Environment Committee</b>					
Review of Parks	-	-	-	30	30
Review of Borough Beautification	-	30	-	-	30
<b>Community &amp; Wellbeing Committee</b>					
Reduce level of subsidy for operating the Community & Wellbeing Centre	30	30	-	-	60
Review of homelessness	-	-	300	-	300
<b>Licensing &amp; Planning Policy Committee</b>					
Additional Licensing Income	50	-	-	-	50
Additional Planning Income	-	-	100	-	100
<b>Total Identified Savings</b>	<b>356</b>	<b>156</b>	<b>450</b>	<b>430</b>	<b>1,392</b>
<b>Unidentified Savings Target</b>	<b>624</b>	<b>573</b>	<b>520</b>	<b>440</b>	
<b>Total Savings to Achieve Balanced Budget</b>	<b>980</b>	<b>729</b>	<b>970</b>	<b>870</b>	