

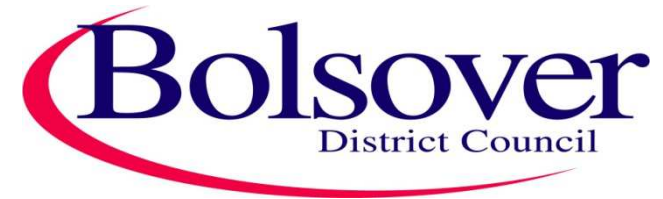
Medium Term Financial Plan 2022/23 to 2025/26

Introduction to the report



- Finances for the Council for the years 2022/23 to 2025/26.
- Includes revenue and capital expenditure.
- Includes General Fund (GF) and Housing Revenue Account (HRA) expenditure and income.
- Council Tax implications are discussed.
- HRA dwelling rents are proposed.
- Capital Programme detailed.
- The report contains:
 - Appendix 1 is GF summary
 - Appendix 2 gives the GF detail.
 - Appendix 3 is HRA summary
 - Appendix 3 table 1 gives HRA fees and charges
 - Appendix 4 gives the capital programme detail

Revenue or Capital?



- The revenue budget is the term used to describe the amount spent on the Council's day-to-day running of services.
- In addition to the costs of running services, we also have to fund the costs of borrowing money to pay for capital assets.
- The capital budget covers the money the Council spends on investing in or the construction of buildings, infrastructure and expensive pieces of plant or equipment.
- It also includes grants and advances made to the private sector for capital purposes, such as grants for disabled adaptations.
- As a Council we have decided anything costing less than £10,000 is automatically revenue, unless a number of the same item are purchased such as photocopiers.

What is the HRA?



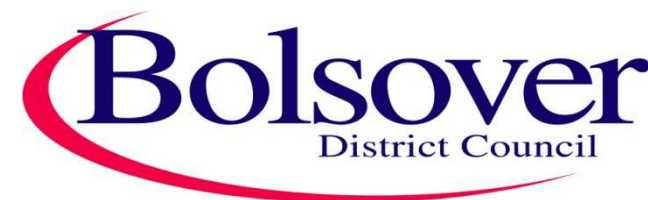
- Housing Revenue Account
- 'Councils with more than 50 properties are required to maintain a separate account that contains all the income and expenditure necessary to manage and maintain their housing stock.'
- This is a ring-fenced account and all transactions must be kept separate from other Council income and expenditure.
- The Council must balance the HRA each year, they must not budget for a deficit after the working balance is taken into account.
- Housing rents provide the income for the HRA and this must not be used to pay for general fund items.
- The main area of expense is the repair and maintenance of properties and interest and debt repayments.
- Separation applies to revenue and capital expenditure.

What is the GF?



- Any transaction that is not housing is automatically general fund!
- The main sources of income are business rates, council tax and a small amount of government grant.
- The main cost for GF is salaries.
- GF income must not be used to pay for HRA expenditure.
- Again, we have to keep separate, revenue and capital expenditure.

The proposed General Fund revenue budgets



	2022/23 Original Budget £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
Current Budget Shortfall	82	18	0	1,212
Pension costs to be funded by GF balance	(82)	(18)	0	0
Basic assumption for future council tax increases	(112)	(222)	(332)	(442)
Potential new income	(443)	(1,097)	(1,682)	(2,141)
Closing Budget Surplus	(555)	(1,319)	(2,014)	(1,371)

Government Funding

- Yet again a delay to the 'real' Spending Review 2021.
- 2019/20 was rolled over into 2020/21 and then 2021/22 and now it's been rolled into 2022/23.
- New homes bonus extra £0.608m
- Business rates £1.532m
- Revenue support grant £1.232m
- Lower Tier Services grant £0.131m
- 2022/23 Services grant £0.202m
- **These are only a one year benefit!**
- 2023/24 onwards reverts to previous assumptions.
- The Spending Review 2022 is expected to introduce the changes to Local Government funding that we've been waiting for.

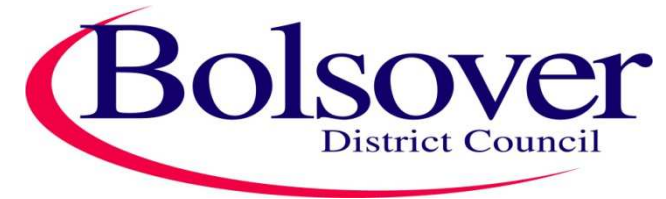
NNDR Growth Protection Reserve



- Established a few years ago from business rates income.
- A savings pot to fund GF for when the growth is taken from us.
- In recent years any excess government income has been transferred in.
- Contributions to and use of, the reserve:

	2022/23 £'m	2023/24 £'m	2024/25 £'m	2025/26 £'m
Movement (to)/from reserve	(0.004)	3.262	2.990	1.802

Council Tax implications – Band D

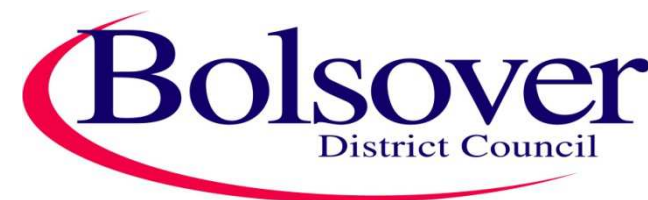


- The Council's part of the bill in 2021/22 was increased by 2.75%.
- This year we are again limited to 2% or £5 whichever is greater.

Increase	New Band D £	Annual Increase £	Weekly Increase £	Extra Revenue £
1%	188.14	1.86	0.04	41,753
2%	190.00	3.73	0.07	83,560
2.68%	191.28	5.00	0.10	112,163

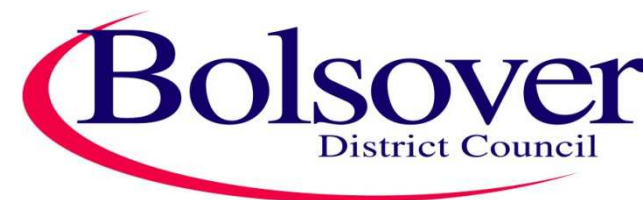
- For 2022/23, 2.68% is proposed, which is £5 for a band D property.

The proposed Housing Revenue Account revenue budgets



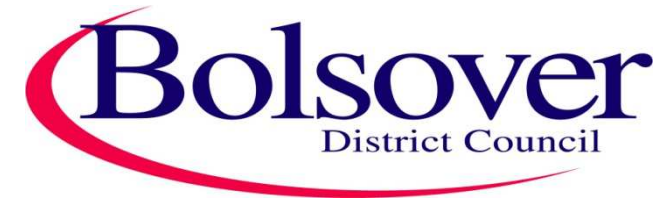
	2022/23 Original Budget £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
Expenditure	14,139	13,799	14,049	14,255
Income	(22,291)	(22,735)	(23,189)	(23,651)
Net Cost of Service	(8,152)	(8,936)	(9,140)	(9,396)
Depreciation	4,275	4,275	4,275	4,275
Net t/f to reserves and balances	3,877	4,657	4,861	5,111
Net (Surplus)	(0)	(4)	(4)	(10)

Proposed HRA dwelling rents and fees and charges



- In 2021/22 rents were set in line with Government regulations with an increase of Consumer Price Index (CPI) plus 1% = 1.5%.
- For 2022/23 – 2025/26 we are still allowed CPI plus 1%.
- For 2022/23 the increase is 4.1%.
- 2% has been assumed for all future years of the plan.
- Voids (empty property levels) for 2022/23 – 2025/26, 3% has been included. Rents reduced by £673k in 2022/23.
- In 2022/23, 1% of the dwelling rent income means £224k.
- Fees and Charges increased by 4.1% where an increase has been applied.

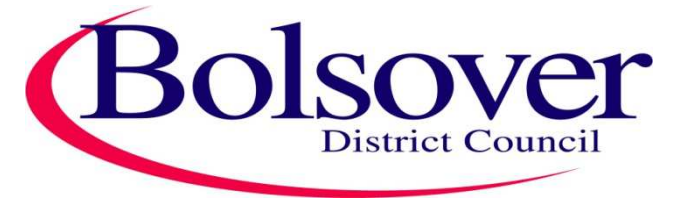
Proposed Dwelling Rents



- Average rent increases on a 48 week basis, excluding service charges are:

Increase	New Rent Charge	Annual Increase	Weekly Increase	Range of New Rent Charge
4.1%	£88.92	£155.04	£3.23	£64.40 - £115.69
Average for Social Rent properties				
4.1%	£117.11	£204.00	£4.25	£83.79 - £206.12
Average for Affordable Rent properties				

The GF Capital Programme



	2022/23 Original Programme £'000	2023/24 Forecast Programme £'000	2024/25 Forecast Programme £'000	2025/26 Forecast Programme £'000
Building Assets	406	310	310	310
IT Schemes	198	156	122	52
Leisure Schemes	40	15	15	15
Disabled Facilities Grants	500	500	500	500
Vehicles and Plant	766	1,578	84	64
GF Total	1,910	2,559	1,031	941

The HRA Capital Programme



	2022/23 Original Programme £'000	2023/24 Forecast Programme £'000	2024/25 Forecast Programme £'000	2025/26 Forecast Programme £'000
New Build Properties	9,000	9,000	8,500	0
Vehicles	351	432	159	0
Public Sector Housing Schemes	5,000	5,387	5,387	5,387
IT Schemes	100	0	0	0
HRA Total	14,451	14,819	14,046	5387

Any Questions?