

Appendix A – Finance Sub Committee Budget Consultation proposals
Detailed list of proposals: Central Budgets

Item	Description	2024/25 budget change £m
Capital Financing - Minimum Revenue Provision – original projection Feb 23	The Council increases spending on Capital Financing to ensure the capital programme is affordable on an annual basis. Capital spending includes Highways and Regeneration projects across the borough. The annual increase reflects the size of the Council's ambitious programme, as well as returns on investment income that can reduce the impact of increasing interest rates on borrowing.	+1.000
Capital Financing - Minimum Revenue Provision – revised projection	The revenue impact of capital spending also results in annual spending. High inflation, high interest rates on borrowing, including the interest that the Council is paying for holding the Dedicated Schools Grant deficit on the balance sheet (£6.1m) and an ambitious capital programme results in increased need for annual revenue. A Capital Programme Review is ongoing to identify scope to delay, reduce or stop spending on capital projects to improve cashflow. This can save on borrowing costs which are projected to cause a significant budget increase for 2024/25.	+8.508
Bad Debt Provision adjustment	Last year's one-off savings of £0.8m is not a recurring figure, so is being partially reversed by growth in 2024/25. The Council collects approximately £90m of debt annually, related to a wide range of services. Bad debt relates to uncollectable income, such as debt with individuals or organisations that enter into administration. It is responsible to reflect the annual impact of bad debt within the Council's revenue budget. The Council will continue to enforce debt payments in an appropriate way taking into account the circumstances of the debtor.	+0.600
Use of Earmarked Reserves	Use of earmarked reserves are budgeted for to support various elements of the revenue budget in any particular financial year:	
• Use of Earmarked Reserves - MTFS	Reversal of last years budgeted one off use from the reserve.	+1.536
• Use of Earmarked Reserves - MTFS	Net contribution to the reserve as planned in the MTFS Feb 2023.	+0.255
• Use of Earmarked Reserves – Collection Fund	Net effect of the reversal of last years budgeted one off use from the reserve and 2024/25 use of the Local Council Tax Support Grant (£0.674m) and renewable energy income from business rates (£0.160m) to support the revenue budget.	+1.400
• Use of Earmarked Reserves – Brighter Futures Transformation	Reversal of last years budgeted one off use from the reserve.	+1.271
Overall Committee Target		+6.062
Total growth proposals		+14.940
Total savings proposals		-0.370
Shortfall against Target		+8.508

Detailed list of proposals: Funding Budgets

Item	Description	2024/25 budget change £m
Council Tax – percentage increase	Council Tax currently provides 77% of the net funding for Council services and is paid by occupiers and owners of domestic property within the borough. The MTFS includes increases of 4.99% in 2024/25 and 2.99% each year after that.	-13.528
Council Tax – Taxbase Increase	The Council Tax base is increasing each year due to ongoing housing development. The calculation of additional Council Tax from the growth in the tax base also reflects any changes in discounts, exemptions, premiums and Council Tax Support. The increase in housing numbers in the MTFS is currently forecast to be 2,200 in 2024/25, 2,000 in 2025/26, and 1,800 thereafter to fall back in line with the Local Plan estimates.	-2.461
Unringfenced specific grants	Increase in overall unringfenced specific grant funding from 2023/24 to 2024/25. Further details are included at Appendix B.	-2.245
Budget change proposals (funding)		-18.234
Business Rates – use of S31 compensation grants	Due to the Provisional Local Government Settlement being less than expected, additional business rates compensation grant funding is proposed to be utilised to maintain the funding envelope at the planned level for 2024/25.	-1.350
Overall Funding Level*		-19.584
*This includes the use of the Business Rates compensation grant funding to maintain the overall net revenue budget for 2024/25 at £372.7m		