

Medium Term Financial Strategy - 2023 to 2029						
Years	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000
Budget (Opening Balance)	14,766	14,766	15,738	16,689	17,537	18,206
Cost Pressures / savings:						
Salaries costs		470	480	490	500	510
Inflationary additional cost pressures						
Pensions costs - 2025 revaluation (3 years from 1st April 2026)				250		
Borrowing costs (PWLb)		672	(99)	98	0	(30)
Finance Lease costs (Vehicles)		267	507	50	219	98
Recycling service (savings sharing scheme)				260		
Reserves:						
Vacancy savings target						
Strategic contingency						
Economic development						
Transformation reserve						
Treasury management reserve		49	113			
Savings Plans / Additional Income:						
Review of Fees and Charges		(50)	(50)	(300)	(50)	(50)
Savings on temporary accommodation		(40)				
Transfer of Public Conveniences to Parishes		(150)				

2023-24 budget factored in 4%; Ongoing assumed 2% increase plus cost of annual increments

2022/23 and 2023/24 increased inflation cost pressures on Salaries / Energy costs / Fuel costs - assumption inflation back to early 2022 levels by 2024/25

2022 revaluation resulted in a net cost increase of £222k. (2019 cost decrease of circa £176k); assumptions factored in as part of this revaluation have already taken into account future long-term forecasts. Prudently assumed further cost increase for 2026-27 of £200k-£250k in case actual results differ from assumptions for 2025 triennial review.

Refer to separate borrowing model analysis for external borrowing (PWLb).

Forecast figures include finance lease movements in future years that previously were included within the external borrowing MRP repayments.

Original estimated figures from DCC of (£310k) through to 2025-26 resulting from the service changes implemented June 2017. Current base budget based on actual activity is income of (£260k) - assumption that scheme will end in 2025-26.

Budget 2022-23 had a target of £250k (currently being achieved). For 2023-24 prudent to remain at £250k level for the medium term.

Base Budget 2019-20 had a contribution of £62k - reserve balance @ 31 March 2023 estimated to be £119k. Reserve balance is more than sufficient level for the medium term.

Base Budget 2023-24 has a contribution of £0k - reserve has sufficient balance @ 31 March 2023 estimated to be £72k. New separate reserve for regeneration projects also set up for 2022-23.

Base Budget 2023-24 has a contribution of £0k - reserve has sufficient balance @ 31 March 2023 estimated to be £270k. New separate reserve for programme delivery set up in 2021-22 with a forecast reserve balance to be £116k.

Reserve set up in 2022-23 to mitigate higher borrowing interest costs over the next two years 2023-24 and 2024-25. Balance at 31 March 2023 is £275,000; with (£162,160) being used in 2023-24 and (£112,840) in 2024-25.

Annual inflation (3%) on fees and charges (exc car parks); with assumed further review of parking charges in 2026-27

Further capital acquisition of properties to provide TA; reducing reliance on expensive B&B accommodation (net saving of £8k-£10k per property) - estimate based upon 8 houses purchased (4 per year 2023-24 & 2024-25), circa £2m capital investment required.

Full year saving circa (£225k) - discussions held end 2022 with Town and Parishes to factor into precepts over 2023-24 and 2024-25. £75k saving loaded as part of 2023-24 budget, remainder within 2024-25.

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Additional Revenue - Future High Streets Programme		(246)				
Net Revenue Budget Requirement	14,766	15,738	16,689	17,537	18,206	18,734

FHSF loan costs on £4.4m built into above annual borrowing costs; additional income forecast as part of financial model option 5b (Pannier Market growth on current income of £180k to £273k; Boutport Street new net income of £153k).

Funding	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000
Government Settlement (SFA)						
Revenue Support Grant	233	246	246	0	0	0
Baseline Funding Level	3,103	3,273	4,240	4,450	4,675	4,900
Business Rates Retention - Growth / (decline)	2,000	2,000	0	100	150	200
Other Funding:						
Rural Services Delivery Grant	325	325	325	325	325	325
New Homes Bonus	448	0	450	450	450	450
Funding Guarantee Grant	1,196	1,303	0	0	0	0
Services Grant	116	116	116	116	116	116
Local:						
Council tax	7,167	7,382	7,602	7,830	8,064	8,305
Council tax - base	0	84	173	268	368	473
Council tax - 100% premium on second homes	0	420	420	420	420	420
Collection fund surplus / (deficit)	178	90	90	90	90	90
Total Funding	14,766	15,239	13,662	14,049	14,658	15,279
Budget Gap / (Surplus)	0	499	3,027	3,488	3,548	3,455

Assumed ongoing until 2025-26 - in line with LG Futures forecast.

Fair Funding Review now delayed to 2025-26; will significantly change the level of funding received. Baseline Funding will be reset following a review of relative needs and resources; with current growth to date reset and incorporated within overall Baseline Funding Level. (Current £2m is made up of; £1.5m growth; £0.350m renewable energy schemes; £0.200m pooling gain). LG Futures forecasting model assumed for 2025-26 year onwards - assumed base 2023-24 ongoing for 2024-25. Assumed Devon Pool gain starting again Year 2 after reset.

Assuming RSDG continues.

Potential changes to scheme in 2025-26; details still to be released by Government and consulted on. **Note:** 2023-24 in year one off allocation was £0.448m. Assumption that 'replacement NHB scheme' in place for 2025-26 and some level of funding within the system.

3% Funding Guarantee grant introduced 2023-24 - LG Futures assumption continuing for 2024-25.

Assuming Services Grant continues.

£5.93 Band D increase for 2023-24 (2.99%); assuming 2.99% annual increase 2024-25 to 2028-29

Council Tax Base increased for 2023-24 by 324; (2021-22 impact of LCTS and collection rate decreased). Ongoing assuming growth based on 400 additional properties per year based upon prior year averages (average was 508 and prudently built in 400).

Report going to S&R Committee Feb 2023; subject to legislation being passed to adopt premium on dwellings which are unoccupied but substantially furnished.

Prior year CF surpluses (2019-20 £77k; 2020-21 £57k; 2021-22 £116k); 2022-23 deficit due to C-19 timings which offset by Collection Fund reserve credit (£106k). 2023-24 confirmed as surplus £178k.