

Medium Term Financial Strategy - 2024 to 2030							
Years	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	2029-30 £'000	
Budget (Opening Balance)	16,302	16,302	17,335	18,566	19,397	19,668	
Cost Pressures / savings:							
Salaries costs		690	530	545	560	575	2024-25 budget factored in 4%; 2025-26 assumed 3% and on-going assumed 2% increase - plus cost of annual increments.
Pensions costs - 2025 revaluation (3 years from 1st April 2026)			250				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.
Borrowing costs (PWLb)		366	111	144	(99)	61	Refer to separate borrowing model analysis for external borrowing (PWLb).
Interest receivable		100	100				Current Base of (£400k); revised estimate (£300k) for 2025/26, reverting back to (£200k) for 2026/27>
Finance Lease costs (Vehicles)		286	166	92	110	180	Forecast figures include finance lease movements in future years that previously were included within the external borrowing MRP repayments.
Volatility & reduction in current income sources		(75)	(75)				Q3 position is reporting £200k reduction in core income sources such as Recycling income & Commercial Waste income. Assumption that 75% of this volatility would continue into 2024-25 and been factored into the base, but recover through 2025-26 and 2026-27.
Recycling service (savings sharing scheme)			336				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 (£336k) - assumption that scheme will end in 2025-26.
Reserves:							
Vacancy savings target							Budget 2023-24 had a target of £250k (currently being achieved). For 2024-25 prudent to remain at £250k level for the medium term.
Strategic contingency							Base Budget 2019-20 had a contribution of £62k - reserve balance @ 31 March 2024 estimated to be £125k. Reserve balance is more than sufficient level for the medium term.
Economic development							Base Budget 2024-25 has a contribution of £0k - reserve has sufficient balance forecast @ 31 March 2024 estimated to be £69k. New separate reserve for Regeneration projects also set up in 2022-23 which has a current balance forecast of £298,000 at 31 March 2024.
Transformation reserve							Base Budget 2024-25 has a contribution of £0k - reserve has sufficient balance @ 31 March 2024 estimated to be £236k. New separate reserve for programme delivery set up in 2021-22 with a forecast reserve balance to be £116k.
Budget management reserve		75					Budget management reserve set up to protect against budget volatility; Q3 report 2023-24 increased this reserve by further £150,000 to a forecast balance at 31 March 2024 of £529,000. Base budget 2024-25 planned use of (£75,000), however is assumed only one-off use and thus budget adjusted back in 2025-26.
Treasury management reserve		93	16	100			Reserve set up in 2022-23 to mitigate higher borrowing interest costs over the next two years 2023-24 and 2024-25. Lower borrowing activity in 2023-24 means reserve use not required this year; Balance at 31 March 2024 is forecast at £425,000; with (£209,060) now planned being used in 2024-25; (£115,940) in 2025-26 and (£100,000) in 2026-27.
Savings Plans / Additional Income:							
Review of Fees and Charges		(300)	(50)	(50)	(300)	(50)	Assumed inflation (3%) on fees and charges (exc car parks); with a further review of parking charges in 2025-26 and 2028-29.

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Transfer of Public Conveniences to Parishes		(155)				
Additional Revenue - Future High Streets Programme		(47)	(153)			
Net Revenue Budget Requirement	16,302	17,335	18,566	19,397	19,668	20,434

Full year saving circa (£230k) - discussions held end 2022 with Town and Parishes to factor into precepts over 2023-24 and 2024-25; phasing now looking more like 2024-25 and 2025-26. £75k saving loaded as part of 2024-25 budget, remainder within 2025-26.

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 of which 50% increase built into 2024/25 base; Boutport Street new net income of £153k). Assumed majority of new income from 2026-27.

Funding	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	2029-30 £'000
Revenue Support Grant	248	256	260	260	260	260
Baseline Funding Level	3,207	3,303	4,921	5,020	5,120	5,220
Business Rates Retention - Growth / (decline)	3,000	3,000	0	100	200	300
Other Funding:						
Rural Services Delivery Grant	364	364	364	364	364	364
New Homes Bonus	351	0	0	0	0	0
Funding Guarantee Grant	1,435	1,537	1,379	1,300	1,300	1,300
Services Grant	19	19	19	19	19	19
Local:						
Council tax	7,455	7,678	7,907	8,144	8,387	8,638
Council tax - base	0	76	156	241	331	427
Council tax - 100% premium on second homes	0	420	420	420	420	420
Collection fund surplus / (deficit)	223	120	120	120	120	120
Total Funding	16,302	16,773	15,546	15,988	16,521	17,068
Budget Gap / (Surplus)	0	562	3,020	3,409	3,147	3,366

Assumed ongoing, in line with LG Futures forecast.

Fair Funding Review assumed now delayed to 2026-27; 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 Retention growth factored in base is £3m for 2024-25 - this is made up of 50% RV growth retained £2.0m; renewable energy schemes £0.7m and retained Devon pooling gain £0.3m). LG Futures forecast 'new' Baseline Funding Level and assumed retaining renewable energy scheme growth factored into base for 2026-27 onwards. Assumed Devon Pool gain starting again Year 2 after reset.

Assuming RSDG continues.

Potential changes to scheme in 2026-27; details still to be released by Government and consulted on. **Note:** 2024-25 in year one off allocation was £0.351m. Assumption that 'replacement NHB scheme' will be wrapped up in Fair Funding Review.

Funding Guarantee grant introduced 2023-24 - LG Futures model forecast continuing for 2025-26 and 2026-27. Assumed ongoing per LG Futures email.

Assuming Services Grant continues.

£6.11 Band D increase for 2024-25 (2.99%); assuming 2.99% annual increase 2025-26 to 2029-30

Council Tax Base increased for 2024-25 by 348. Ongoing assuming growth based on 350 additional properties per year based upon prior year averages for last 3 years.

Report approved S&R Committee & Full Council Jan 2024 to adopt premium on dwellings which are unoccupied but substantially furnished. Legislation received Royal Assent 26 October 2023 and requires 12 months notice, thus implementation will be from 2025-26.

Prior year CF surpluses (2019-20 £77k; 2020-21 £57k; 2021-22 £116k & 2023-24 £178k); 2022-23 deficit due to C-19 timings which offset by Collection Fund reserve credit (£106k). 2024-25 confirmed as surplus £223k.