

## Appendix 1

## GENERAL FUND FINANCIAL PROJECTIONS 2024/25 TO 2028/29

	Revised Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
<b>BASE BUDGET</b>	14,603	15,720	15,960	16,542	17,086
<b>CHANGES TO BASE</b>					
Revenue Developments – Net changes in year not required going forward	877	(522)	41	200	-
Inflation – Pay Award/JE Outcomes	131	542	306	312	318
Inflation – Energy and Fuel Prices Included	71	71	33	29	30
Inflation – Price Others Included	94	94	96	98	100
Increased Fees and Charges (General) Included	(76)	(76)	(76)	(77)	(79)
Capital Borrowing Costs – MRP and Interest	109	131	182	(19)	(156)
<b>BUDGET REQUIREMENT BEFORE SPECIAL EXPENSES</b>	<b>15,720</b>	<b>15,960</b>	<b>16,542</b>	<b>17,085</b>	<b>17,299</b>
Beeston Special Expenses	25	25	25	25	25
<b>BUDGET REQUIREMENT</b>	<b>15,745</b>	<b>15,985</b>	<b>16,567</b>	<b>17,110</b>	<b>17,324</b>
<b>FINANCED BY:</b>					
NNDR Business Rates	3,793	3,869	3,946	4,025	4,106
NNDR Share of Previous Years Collection Fund Deficit	19	-	-	-	-
NNDR Section 31 Grants	3,068	3,129	3,192	3,256	3,321
NNDR Growth Levy/Safety Net to/from Pool	(1,311)	(1,337)	(1,364)	(1,391)	(1,419)
NNDR Returned Levy from Notts Business Rates Pool	800	800	800	800	800
Council Tax	6,602	6,801	7,006	7,218	7,436
CT Share of Previous Years Collection Fund Surplus	72	-	-	-	-
Government Grant - Revenue Support Grant	129	129	129	129	129
Government Grant - Services Grant	20	20	20	20	20
Government Grant - New Homes Bonus	255	255	255	255	255
Government Grant - CSP Funding Guarantee	471	480	490	500	510
Beeston Special Expenses	25	25	25	25	25
<b>TOTAL RESOURCES</b>	<b>13,943</b>	<b>14,171</b>	<b>14,499</b>	<b>14,837</b>	<b>15,183</b>
<b>DEFICIT/(SURPLUS) TO BE MET BEFORE MOVEMENT IN RESERVES</b>	<b>1,802</b>	<b>1,814</b>	<b>2,068</b>	<b>2,273</b>	<b>2,141</b>
<b>MOVEMENT IN RESERVES</b>					
Movement into Earmarked Reserves	30	30	30	-	30
Movement from Earmarked Reserves	-	-	-	(200)	-
<b>PLANNED (SURPLUS)/DEFICIT AFTER MOVEMENT IN RESERVES TO BE FUNDED FROM GENERAL FUND BALANCE</b>	<b>1,832</b>	<b>1,844</b>	<b>2,098</b>	<b>2,073</b>	<b>2,171</b>

	Revised Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
<b>FORECAST BALANCES - 31 MARCH</b>					
General Fund Opening Balances	6,060	4,228	2,384	286	(1,787)
In-year Net Movement in Reserves	(1,832)	(1,844)	(2,098)	(2,073)	(2,171)
<b>General Fund Closing Balances</b>	<b>4,228</b>	<b>2,384</b>	<b>286</b>	<b>(1,787)</b>	<b>(3,958)</b>
<b>BALANCE OF RESERVES</b>					
Minimum Balance	1,500	1,500	1,500	1,500	1,500
Available Reserves	2,728	884	<b>(1,214)</b>	<b>(3,287)</b>	<b>(5,458)</b>
(Figures in <b>bold</b> - below minimum balance)					
Earmarked Reserves Opening Balance	2,778	1,528	1,558	1,588	1,388
In-year Net Movement in Reserves	(1,250)	30	30	(200)	30
Earmarked Reserves Closing Balance	1,528	1,558	1,588	1,388	1,418

Council Tax Base	35,224	35,576	35,932	36,292	36,654
Basic Council Tax	£187.42	£191.17	£194.99	£198.89	£202.87
Change on previous year	2.94%	2.0%	2.0%	2.0%	2.0%

**BUSINESS STRATEGY** (Agreed by Cabinet on 5 November 2024)

Since 2015 the Council has developed a Business Strategy which is designed to ensure that it will be:

- Lean and fit in its assets, systems and processes
- Customer focused in all its activities
- Commercially-minded and financially viable
- Making best use of technology.

A number of initiatives within the Business Strategy have been implemented and have resulted in either reduced costs or additional income and/or improved services for the Council.

The Business Strategy is complemented by the Commercial Strategy, which seeks to implement a more business-like approach to service analysis and delivery. A number of initiatives within both the Business Strategy and the Commercial Strategy have been implemented.

The latest refreshed Business Strategy proposals for 2025/26 are set out below and will be incorporated within the Medium Term Financial Strategy once agreed. A number of these proposals will arise from discussions with officers and will require further detailed engagement and development.

**BUSINESS STRATEGY 2025/26 AND 2026/27 PROPOSALS**

Proposal	Business Impact	Financial Impact – Additional Income/ Reduced Expenditure
<b>2025/26 Proposals</b>		
Business Rates Growth	An assessment of a reasonable target based on the latest economic forecasts, local knowledge and estimated performance of property inspectors.	£50,000 additional income
Council Tax increase	<p>Assuming that the Government’s Council Tax increase referendum limits are retained at the same level as recent years, then a Council Tax increase at £5 for a Band D equivalent equates to an increase of around 3% compared to the current MTFS forecast which includes a 2% rise for 2025/26.</p> <p>However, if the Government changes its referendum limits and allows districts to increase Council Tax up to 5%, then the further 2% increase would result in an additional £120,000.</p>	£60,000 additional income (MTFS assumes 2%, whilst £5 increase Band D provides to an additional 1% rise).
Garden Waste Income	Expected similar volumes of service users in 2025/26. Additional income assumes a rise of £2 to £45 per annum and no additional attrition.	£47,000 additional income
Beeston Phase 2 development income	Rental income to include new operators and a full review of the budget. The total additional income will be confirmed as part of the forthcoming budget setting process.	£65,000 additional income
Industrial units income	Planned increase in industrial unit rents over a two year period, but remaining below market rents.	£30,000 additional income

Proposal	Business Impact	Financial Impact – Additional Income/ Reduced Expenditure
Durban House income	Following refurbishment of Durban House, additional income is anticipated from lettings income	£43,000 additional income
Enforcement income	Net income collected by enforcement allocated to the Environment Services	£10,000 additional income
Homelessness government grant income	Government grant allocated to assist the management of the homelessness service , including the impact of Ukrainian refugees	£150,000 additional income
Bramcote Crematorium	<p>Potential additional income from the introduction of a pre-paid cremation deed, and other possibilities for Bramcote Bereavement Services, following the previous development and implementation of a new marketing strategy.</p> <p>The impact of the new cremators on energy savings also needs to be considered with an anticipated 2024/25 installation. The cost of fuel to heat the Crematorium offices and water should be completely offset by the introduction of the heat exchange system.</p> <p>Furthermore, the efficiencies derived from the new cremators should result in additional income, although this maybe partially offset by rising gas prices. It is anticipated that the cost of borrowing for the new cremators will be offset by energy savings and the additional income generated. Fee income is directly impacted by the prevailing death rate and a better assessment of income will be known following the launch of the pre-paid cremation deed in October.</p> <p>The rise in the cremation fees will generate approximately an additional £100,000 income.</p>	£50,000 additional income

Proposal	Business Impact	Financial Impact – Additional Income/ Reduced Expenditure
Staffing efficiencies	<p>Leverage technology and the use of new software, taking advantage of vacancies to restructure to save money, manage vacancies and reduce administration. Where possible, the Council will aim to bring together and consolidate services under fewer senior managers where turnover allows and services can be improved. Also, continually aiming to reduce reliance on agency staff.</p> <p>The current General Fund (GF) staffing budget in 2024/25 is forecast to significantly underspend, and therefore over-achieve the £600,000 turnover target (4.1% of GF salary budget).</p> <p>In view of the inflationary increases and growth in the overall salaries budget it is recommended to increase the savings target to £750,000 (4.9% of the anticipated GF salary budget £15.2m).</p>	£150,000 reduction in salaries expenditure, due an increase in the savings target
Price inflation (non-contractual)	The MTFS assumes a level of price inflation on premises, supplies and services budgets at 1% (energy and fuel budgets see a higher percentage and are shown separately), which adds around £60k to the base budget in 2025/26. There is an opportunity freeze those budgets at current levels, thereby challenging budget managers to absorb this inflationary cost within operational activity. The impact would be spread across the General Fund services.	£60,000 reduction in costs

Proposal	Business Impact	Financial Impact – Additional Income/ Reduced Expenditure
Insurance Portfolio – Premiums	A significant increase in insurance premiums was anticipated in advance of the scheduled 2024/25 tender exercise due to increased property sums insured and a hardening insurance market. This was duly recognised in the base budgets. The outcome of the insurance tender was better than expected and has resulted in a budget saving for the General Fund, Housing Revenue Account and Liberty Leisure Limited. The target reduction for the General Fund in 2025/26 is included here.	£80,000 additional savings
Reshape the Leisure Offer	Current cost of the annual leisure management fee paid to Liberty Leisure Limited is £369,000. Proposal to reduce the management fee to £269,000 in 2025/26. Some of this saving will be achieved by implementing the outstanding recommendations of the efficiency review of the company, carried out by ‘Active-4-today’, which identified additional savings and income totalling £300,000. It is assumed that the remaining elements of the review can be implemented in 2025/26.  Liberty Leisure Limited held general reserves of £442,033 as at 31 March 2024.	£100,000 saving from further reduction in the management fee
Council Tax Single Persons Discount	Completion of the Single Persons Discount review in 2024, it is expected that additional Council Tax income can be achieved.	£5,000 additional income
Review of Council Tax discounts and exemptions	Completion of a review of Council Tax discounts and exemptions, including second homes and empty homes.	£50,000 additional income
	<b>Total 2025/26 additional savings and income identified</b>	<b>£950,000</b>

Proposal	Business Impact	Financial Impact – Additional Income/ Reduced Expenditure
<b>Additional savings and income proposals considered – no financial targets recommended in 2025/26</b>		
Procurement	Re-packaging and re-tendering contracts will bring efficiencies and savings, which will be predominantly capital savings.	Capital budget savings
Trade Waste Income	No additional income should be expected as the introduction of food waste for trade waste customers is likely to have an initial revenue cost which will negate any planned increase.	Nil
Leasing of Council Offices	Lease of newly refurbished office space to public, voluntary or private sector organisations, taking advantage of businesses re-locating out of other nearby office buildings. Further opportunities for letting will be continually investigated following the refurbishment of the ground floor reception area.	Nil
Grant Aid to Parish and Town Councils	A review of grant aid provided to parish and town councils, and consideration of bid writer to support parish and town councils accessing various external grants thereby allowing a reduction in Council's grants.	Nil
Planning Income	Planning income in 2024/25 is significantly below its income budget (£253,000 forecast shortfall), therefore no further increases are proposed in the income budget.	Nil
Housing - Lifeline Income	Potential income from the additional marketing of lifeline. No further income targets for this service.	Nil

Proposal	Business Impact	Financial Impact – Additional Income/ Reduced Expenditure
Homelessness – Reduce bed and breakfast.	Effective management of homelessness with the aim of reducing the use of bed and breakfast accommodation may generate a saving on the current base budgets. No savings targets proposed for this service.	Nil
<b>2025/26 – 2026/27 Proposals subject to commercial negotiations</b>		
Sale of Crematorium Land (capital receipt)	Commercial negotiations with a developer to sell land adjacent to Bramcote Crematorium. Any proceeds would be shared 50/50 with Erewash Borough Council. The site has planning approval for housing.	Revenue savings arising from the use of capital receipts can replace borrowing costs (MRP and interest) and result in revenue savings.
Tram Compensation	Tram compensation negotiations with Nottingham City Council have been completed, with final balance of settlement anticipated in 2023/24.	Provide resources for the capital programme.
Sale of the ‘Argos’ block in Beeston Square	Following Cabinet approval, commercial negotiations are progressing with a developer on converting the ‘Argos’ block into a medical centre. This could generate a significant capital receipt.	Revenue savings arising from the use of capital receipts to replace borrowing costs (MRP and interest).