

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Cabinet

11 February 2025

TITLE:	2025/26 Budget & Medium Term Financial Plan 2025/26 to 2028/29
PORTFOLIO HOLDER:	Councillor C Wood - Portfolio Holder for Finance
CONTACT OFFICER:	Keith Pointon - Head of Finance
WARDS INVOLVED:	Non-Specific

Appendices Attached –

- **Appendix A (Medium Term Financial Plan 2025/26 to 2028/29)**
- **Appendix B (Capital Strategy 2025/26)**
- **Appendix C (Fees & Charges 2025/26)**
- **Appendix D (Procurement Forward Plan 2025/26)**

1. Reason for the Report

1.1 The purpose of the report is to present the proposed Budget for 2025/26, updated Medium-Term Financial Plan 2025/26 to 2028/29, Capital Strategy 2025/26, proposed Fees and Charges for 2025/26 and Procurement Forward Plan 2025/26.

2. Recommendation

2.1 That members support the following **recommendations** to Council:

- Approves the General Fund Budget for 2025/26 as detailed in **Appendix A (section 8)**
- Approves the revised Medium-Term Financial Plan (2025/26 to 2028/29) as detailed in **Appendix A**, including the revised Capital Programme (attached at Annex A)
- Approves the Capital Strategy 2025/26 as set out in **Appendix B**
- Approves the proposed Fees and Charges for 2025/26 as detailed in **Appendix C**

- Approves the proposed Procurement Forward Plan for 2025/26, providing the authority to procure based on procurement activity detailed in **Appendix D**
- Approves a Band D Council Tax of £173.04 for 2025/26 (2.99% change from 2024/25)
- Approves a Band D Council Tax of £56.13 for Leek and £11.29 for Biddulph for 2025/26 in respect of Special District Expenses
- Notes the Chief Finance Officer's view that the level of reserves are adequate for the Council based on this budget and the circumstances in place at the time of preparing it (**Appendix A, Annex C**)

3. **Executive Summary**

- 3.1 This report makes recommendations to Council for the budget and the level of Council Tax for 2025/26. The report also provides an update on the Council's medium-term financial position through to 2028/29. Additionally, it establishes an overarching Capital Strategy, sets out the fees and charges that are proposed for 2025/26, and details the Procurement Forward Plan 2025/26.
- 3.2 The budget setting and medium term financial planning process provides the Council with the opportunity to plan its delivery of public services in accordance with local priorities. The current four year MTFP was updated in November 2024 to reflect further updated economic forecasts in order to begin to understand the medium term financial impact.
- 3.3 This version of the MTFP updates the scenario provided in the November forecasts, based on the provisional settlement information released in December, latest economic forecasts, and assumptions around the timing and level of capital and revenue expenditure and income.
- 3.4 The one-year provisional local government settlement confirmed cessation of the Funding Guarantee Grant, Rural Services Delivery Grant and Services Grant, and introduced the Funding Floor grant at £427,590, New Homes Bonus at £50,680, and Revenue Support Grant at £123,310 for 2025/26. The Council did not receive a Recovery grant. The plan assumes that the Funding Floor and Revenue Support grants will be ongoing throughout the plan. The settlement also indicated that there will be Employer National Insurance contributions funding but has not confirmed the amount at this stage.
- 3.5 This MTFP does not include any projections or estimation to reflect the potential financial implications of Local Government Reorganisation under English Devolution as there is not yet any level of detail or certainty as to the impact. This therefore represents a significant risk to the 4- year balanced MTFP. Future iterations of the plan will build on the clarity of financial implications and forecasts as more information emerges.
- 3.6 In terms of costs, the Council will incur costs higher than originally anticipated when setting the MTFP last year. The pay award for 2024/25 was

implemented at £1,920 across all pay grades and an increase of 3% is anticipated in years 2-4 of the MTFP. Applicable inflation is also built into the assumptions. Although inflation has reduced from the high levels of recent years, it remains volatile and unpredictable. Overall financial assumptions have been updated throughout the MTFP for the four years.

- 3.7 This leaves a balanced 2025/26 budget on both the revenue and capital side, but with greater uncertainty and risk in the MTFP for future years. The efficiency strategy included in February 2024 remains in this MTFP: a total of £890,000 is included in the plan, profiled across 2024/25 £250,000, 2025/26 £250,000, 2026/27 £300,000 and 2027/28 £90,000. There is no additional target for 2028/29.
- 3.8 The financial settlement allows for up to a 3% increase in Council Tax. It should be noted that Treasury's published figures do assume all Authorities maximise the increase. The way capping (or "referendum limits") works, if the maximum increase is not taken then that opportunity is lost forever (there is no way to catch up in subsequent years). Having completed the annual budget exercise, a balanced budget for 2025/26 has been achieved. The final General Fund budget proposal for 2025/26 provides for a net budget of £13,590,930 and a Council Tax increase of £5.02 on a Band D equivalent property (2.99%) with the Special District Expenses increase of £1.63 (Leek) and £0.33 (Biddulph).
- 3.9 The forecast predicts a balanced budget position by 2028/29 with a net contribution to reserves, albeit with the risks identified.
- 3.10 The Capital Strategy and the Capital Programme have been updated and allow for additional investment in priority areas. The Medium Term Financial Plan includes an updated Capital Programme of £59,106,100 over the period 2024/25 to 2028/29.
- 3.11 The Procurement Forward Plan sets out details of the expected activity during 2025/26.

4. How this report links to Corporate Priorities

- 4.1 The successful delivery of all corporate priorities is dependent upon the effective management of financial resources, which is the subject of this report.

5. Alternative Options

- 5.1 This report recommends a Council Tax level and associated budget, Medium Term Financial Plan, Capital Strategy (and future capital programme) and Fees & Charges for 2025/26 designed to best deliver the Council's corporate priorities within a balanced budget. Other options are feasible, but any alternatives would need to robustly identify the service and financial implications, in order to satisfy the Council's Section 151 Officer (under the

Local Government Finance Act 1988, section 114) of the need to deliver a balanced budget.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)

None.

6.2 Workforce

None.

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Equality and Diversity policies. An Equalities Impact Assessment (EIA) has been undertaken on the Corporate Plan, which feeds into budget plans.

6.4 Financial Considerations

There are substantial financial considerations contained throughout the report.

6.5 Legal

The Local Government Act 2000 states that it is the responsibility of the full Council, on the recommendation of the executive, to approve the budget and related council tax demand. The Local Government Act 2003, section 25 requires the council's Section 151 officer to report to the council on the robustness of the estimates made and the adequacy of the proposed financial reserves assumed in the budget calculations. The Local Government Finance Act 1988, section 114 requires the Section 151 officer to report to all the Authority's councillors if there is likely to be an unbalanced budget.

6.6 Sustainability

An earmarked reserve has been established to support with climate change related activities. Climate Change considerations are indirectly included in many aspects of the MTFP – including capital programme projects focused on Council buildings and vehicle purchases, as well as being a consideration in procurement activity reflected in the Forward Plan. These are highlighted, wherever possible, in the MTFP report itself.

6.7 External Consultation

The Council's budget plans have been subject to a consultation.

6.8 Risk Assessment

A full risk analysis has been undertaken which is contained within the plan.

MARTIN OWEN
Executive Director (Resources) s151 Officer

Web Links and Background Papers

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