cirencester
- town council -

Council

14th November 2023

REPORT SUMMARY	
AGENDA ITEM:	16.
REPORT TITLE:	Medium Term Financial Plan 2024-25
REPORT AUTHOR:	Andrew Tubb, Chief Executive Officer
LEAD MEMBER:	Councillor Mark Harris
PURPOSE OF REPORT:	To consider and approve the draft 2024-25 medium term financial plan for public consultation.
LEGAL:	There are no legal implications directly arising from this report.
FINANCIAL:	The financial implications and respective notes are included within the report and appendix.
PERSONNEL:	There are no personnel implications directly arising from this report.
ENVIRONMENTAL:	There are no environmental implications directly arising from this report.
CLIMATE CHANGE:	There are no climate change implications directly arising from this report.
RECOMMENDATION:	That the draft 2024-25 medium term financial plan be approved for public consultation.

1. Background

1.1 In September 2023, the Finance and Audit Committee met informally for a detailed briefing session which covered expenditure, income, earmarked reserves, staffing, the precept and tax base, borrowing and capital investment.

1.2 The Committee then met formally in October 2023, to consider the draft Medium Term Financial Plan (MTFP) for 2024-25; covering the period up to 2028-29.

1.3 In considering the draft MTFP for recommendation to Council, it was noted that the financial planning showed the impact of the financial decisions relating to 2024-25 over a four-year period.

1.4 The Band D info in the MTFP is based on the 2023-24 tax base figure of 7460; the impact for all tax bands and future projections will be calculated when the tax base for 2024-25 is available. The tax base figure is based on the number of households required to pay Council Tax and does not include households that receive Council Tax Benefit.

1.5 For illustrative purposes the MTFP includes an increase in expenditure per annum from 2024 based on a flat rate 5% year on year and income on a flat rate of 2.5%; and does not account for one off increases/decreases in expenditure over the plan period.

1.6 In accordance with internal and external audit advice the MTFP facilitates immediate growth in the General Reserve; the impact of this on the precept and local council tax was discussed by the Committee, alongside phasing in the growth.

1.7 The Council has no capital funding for investment and/or the delivery of future major projects, and the importance of raising the precept now in order to build a foundation for establishing a capital fund from 2025-26 was noted by the Committee.

1.8 It is also important to note that the Town Council does not receive any grant or direct funding from the Government, Gloucestershire County Council or Cotswold District Council; we are also required to pay business rates on our activities and do not receive any allocation from these rates collected from businesses in Cirencester.

1.9 As a local council, we are also limited and restricted from applying for certain grants and funding streams.

2. Purpose of Report

The purpose of this report is to consider and approve the appended draft 2024-25 Medium Term Financial Plan for public consultation.

3. Future Considerations

3.1 The impact of future decisions and potential growth in the tax base through the strategic housing development at The Steadings was noted.

3.2 More detailed analysis, where available, will be provided with the report to Council in January, this will include:

3.2.1 tax base projections based on housing growth;
3.2.2 tax base impact across all tax bands;
3.2.3 capital investment planning and projections;
3.2.4 capital project costs based on the green spaces strategic review;
3.2.5 council tax support and advice;
3.2.6 projections based on actual expenditure and income, as at December 2023.

4. The Precept

4.1 This report and recommendation is not directly related to the precept. The precept is the amount of funding raised by the Town Council though Council Tax. The Council Tax is collected on behalf of the Town Council by Cotswold District Council.

4.2 The MTFP does however provide indicative information on the future precept and Council Tax and is the basis of public consultation.

4.3 A separate, detailed, report on the precept, will be prepared for Council in January, based on the budget estimates and MTFP.

4.4 The tax base figure used to calculate the Band D equivalent is prepared and published by Cotswold District Council; at the time of writing this report the tax base for 2024-25 is not known.

4.5 As referenced at 3.2.2, the report in January will include information across all tax bands.

4.6 The National Association of Local Councils has recently published comparison precept data:

Band D Change	Number of councils 2023/2024	Number of councils 2022/2023	Number of councils 2021/2022
< 0%*	2,210 (-422)	2,632 (+406)	2,226 (+158)
0%	504 (-5)	509 (-365)	874 (+368)
<1%	705 (-92)	797 (-253)	1,050 (+307)
1.0 – 1.99%	496 (-180)	676 (-278)	954 (+158)
2.0 – 2.99%	503 (-177)	680 (-106)	786 (-9)
3.0 – 3.99%	518 (-56)	574 (+29)	545 (-29)
4.0 – 9.99%	2,110 (+478)	1,632 (+279)	1,353 (-312)
10% - 19.99%	1,009 (+238)	681 (+100)	581 (-341)
20% - 49.99%	566 (+83)	483 (+124)	359 (-182)
50% plus	214 (+38)	176 (+67)	109 (-78)

5. RECOMMENDATION that the draft Medium Term Financial Plan be approved for public consultation.