

The background of the slide is a photograph of a rural landscape with rolling green hills, a stone wall, and a large tree on the left. A semi-transparent green overlay covers the top and right portions of the image.

ELDC Budget 2024/25 (for consultation)

Budget Progress 2024/25

- Final checks and adjustments to the budget are still being undertaken
- Significant improvement on last years timelines
- Capital Programme in draft – final adjustments being made
- Revenue budget in draft and loaded into the finance system
- Cabinet Away day feedback incorporated.
- Settlement received 18th December and now included in the budget
- Efficiency Target £424k allowing for £1.4m IDB support, significant contributions to reserves budgeted for.
- MRP approach being taken for future replacements of assets rather than use of reserves.

LG Finance Policy Statement – Summary of main points

- Business rates baseline funding level – CPI increase
- Business Rates indexation increase
- RSG increase in spending power
- Council Tax 3%/£5
- Funding Guarantee – 3% increase in spending power
- NHB – retained and taken to reserves
- RSDG and Services Grant retained
- Consultation response has been submitted to Draft Settlement

Spending Review for 2024/25

- Provisional Settlement received 18th December, final expected in February
- Business Rates Retention & Fair funding review postponed
- Future funding arrangements uncertain especially NHB
- IDB representations have been made in consultation

East Lindsey	Budget 22/23	Budget 23/24	Budget 24/25 Settlement 18.12.24	Movement 23/24 to 24/25
	£'000	£'000	£'000	£'000
Revenue Support Grant	964	1,310	1,396	86
Rural Services Delivery Grant	697	779	779	0
Lower Tier Service Grant	281	0	0	0
Services Grant	424	249	39	-210
Funding Guarantee 3%	0	888	940	52
NHB	1,244	378	434	56
Total	3,610	3,604	3,588	-16

Revenue Budget & MTFS

Key points and assumptions:

- Estimated 1.82% (845) annual growth in tax base (from 46,377 to 47,222) – £370k
- £4.95 annual increase in Band D charge (£161.64 to £166.59) capped at 3% or £5 whichever is higher.
- Business Rates yield assumptions still to be finalised:
 - Review of provisions
 - Additional growth expected
 - National Non Domestic Rates (NNDR1) 31st January 2024 deadline

Budget Pressures & Risks

- Significant Service pressures being included in net budget are:
 - Internal Drainage Boards
 - Pay 3.5% and Pensions
 - Utilities
 - Fuel
 - Contract costs – PSPS, MV
 - New Asset Costs (being reviewed)

Improvements built in and further opportunities

Included in the budget:

- SELCP savings
- Investment Income
- Business Rates improvement

Further Opportunities:

- Internal Drainage Board conversation
- Asset Development opportunities
- Contract review opportunities
- Service reviews
- Driving economic growth to create business rate yield
- Reserves – commercialisation, decarbonisation, invest to save, Market Towns and Rural support, Economic Growth and supporting the delivery of Affordable Housing

Fees & Charges

- National charge /statutory charge increases.
- Review underway.

Budget Area	2023/2024	2024/2025
	£'000	£'000
Building control Fees	445	472
*Planning Fees (including pre-planning advice)	1,488	1,493
Car Park income	3,405	3,609
Market Stall Fees	100	106
Kingfisher Caravan Park	1,054	967
Waste Services	1,478	1,561
*Commercial Property Rental Income	1,967	2,132
Sales, Fees and other direct income	4,758	4,796
Total	14,695	15,136

* Updates expected imminently

Capital Programme 2024/25 – 2028/29

Scheme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total
Capitalised Planned Enhancements	200	200	200	200	200	1,000
Car Park Resurfacing	250	250	250	250	250	1,250
Disabled Facilities Grants	1,562	1,562	1,562	1,562	1,562	7,810
IT Investment	198	198	429	769	100	1,694
Neighbourhoods Vehicles			168	4,270		4,438
Sustainable Warmth	8,400					8,400
CDF - Phase 2	2,539	117				2,656
CDF - Pier Transformation	3,597	149				3,746
Horncastle Industrial Estate	400					400
Total Projects (Excl. Towns Funds, UKSPF & LUF)	17,146	2,476	2,609	7,051	2,112	31,394
Towns Fund - Mablethorpe Leisure and Learning	895					895
Towns Fund - Skegness Railway Station	39					39
Towns Fund - Skegness Town Centre Transformation	812	122				934
Towns Fund - Skegness Learning Campus	4,158	189				4,347
Towns Fund - Mablethorpe Campus for Future Living	2,124	267				2,391
Towns Fund - Mablethorpe High Street	478	302				780
Towns Fund	8,506	880				9,386

Capital Programme 2024/25 – 2028/29

Scheme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total
UKSPF	564					564
UKSPF - Rural	900					900
UKSPPF	1,464					1,464
LUF: Spilsby Sessions House	3,592					3,592
LUF: Alford Manor House	913	45				958
LUF: Alford Windmill	15					15
LUF Projects	4,520	45				4,565
Total Current Approved Programme	31,636	3,401	2,609	7,051	2,112	46,809
New Capital Bids						
Disabled facilities Grant (inc. Discretionary Grants)	955	955	955	955	955	4,775
Capital Enhancements Programme	177	65	170	-10	195	597
Neighbourhoods Vehicles	720	34	57	1,065		1,876
Enforcement - Van		35				35
Neighbourhoods Growth	100					100
Environmental Services	66	40	40	40	40	226
Capital Bids	2,018	1,129	1,222	2,050	1,190	7,609
Total Draft Programme	33,654	4,530	3,831	9,101	3,302	54,418

Capital Financing 2024/25 – 2028/29

Financing	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total
Internal Borrowing	(1,445)	(647)	(1,006)	(6,374)	(645)	(10,117)
External Grants	(31,112)	(3,701)	(2,517)	(2,517)	(2,517)	(42,364)
Capital Reserve	(31)	(7)				(38)
Other Reserve - Repair & Replacement Reserve	(166)	(75)	(208)	(110)	(40)	(599)
Other Reserve - Economic Growth	(900)	(100)	(100)	(100)	(100)	(1,300)
Total Financing Requirement	(33,654)	(4,530)	(3,831)	(9,101)	(3,302)	(54,418)

Treasury Management

Key points/assumptions:

- Investment income is forecast to be £2.573m in 24/25 (£2.373m net of property fund manager fees).
- This is based on average Investment Balances of £52.5m and an overall return on investments of 4.90%.
- The lower returns are mainly due to decreased investment balances as a result of capital expenditure, partially offset by increased rates of return averaging 4.90%.
- Property Funds returns are forecast to be 4.00%.
- Following the premature repayment of borrowing in 23/24, the budget includes the pro rata discount credit of £834k.
- External debt is unlikely to be undertaken in 24/25 as the focus remains on internal borrowing (utilising cash balances) for relatively short-term requirements.

Reserves

Reserve	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Balances at	Balances at	Balances at	Balances at	Balances at	Balances at
	31st March 2024	31st March 2025	31st March 2026	31st March 2027	31st March 2028	31st March 2029
	£'000	£'000	£'000	£'000	£'000	£'000
Investments Volatility Reserve	871	871	871	871	871	871
Housing Reserve	2,244	2,161	2,077	1,994	1,911	1,827
Repair and Replacement Reserve	1,054	792	871	817	861	975
Carbon Reduction Reserve	398	398	398	398	398	398
Insurance Reserve	767	707	647	587	527	467
Capital Reserve	4,970	5,373	5,800	6,234	6,668	7,102
Economic Growth	658	966	2,098	3,255	4,437	4,337
Service Transformation Reserve	934	984	1,034	1,084	934	984
Business Rates Volatility Reserve	4,488	4,488	4,488	4,488	4,488	4,488
Legal and Appeals Reserve	2,632	2,632	2,632	2,632	2,632	2,632
Technology Reserve	334	402	470	538	606	674
Wellbeing Reserve	185	92	(-)	(-)	(-)	(-)
Property Fund Reserve	138	138	138	138	138	138
Budget Pressures Smoothing Reserve	742	742	742	742	742	742
Climate Change	(-)	481	481	481	481	481
Corporate Priorities Reserve	(-)	5,857	11,714	17,571	23,428	29,285
De-carbonisation reserve	1,432	1,432	1,432	1,432	1,432	1,432
Specific Reserves Total	21,846	28,515	35,892	43,261	50,553	56,832
General Fund	1,822	1,822	1,822	1,822	1,822	1,822
Total	23,668	30,337	37,714	45,083	52,375	58,654

Areas for investment and consultation

Some Particular areas of investment for consultation have been identified by Members:

- Market Towns and Rural Areas
- Driving and supporting Economic Growth
- Supporting the Delivery of Affordable Housing
- Supporting the Vulnerable
- Decarbonisation and continued investment in green areas
- Invest to Save

Areas still to be finalised

Internal Drainage Boards by 31 January 2024

NNDR1 by 31st January 2024

Final Settlement Feb 2024

Final budget amendments

Budget Consultation

Timetable 2024

- 10th January 2024 – Executive Board COMPLETE
- 23rd January 2024 – Overview
- 15th January 2024 - Public consultation started STARTED
- 24th January 2024 - Audit and Governance
- 2nd February 2024 - Public consultation ended
- 14th February 2024 – Executive Board
- 28th February 2024 – Full Council

QUESTIONS

