



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

