



EAST SUFFOLK COUNCIL

**MEDIUM TERM FINANCIAL STRATEGY
2024/25 – 2027/28**

DECEMBER 2023

1 INTRODUCTION

- 1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council. It sets out the key financial management principles, budget assumptions and service issues.
- 1.2 The MTFS provides a framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Strategic Plan. It provides a sound basis for planning and decision making, and is reviewed and updated at the following key points in the year:
- November/December – as a framework for initial detailed budget discussions for the forthcoming financial year.
 - January – an update to include additional information received at a national level and corporate issues identified through service planning and the detailed budget build.
 - February – with the final budget for the new financial year.
- 1.3 The MTFS underpins the strategic direction for East Suffolk ‘Our Direction 2028’, focussing on the following four themes and priorities, whilst recognising the financial challenges;
- Environmental Impact
 - Thriving Economy
 - Tackling Inequalities
 - Sustainable Housing
- 1.4 The MTFS provides an integrated view of the Council’s finances, recognising that the allocation and management of its human, financial and physical resources play a key role in delivering its priorities and ensuring that the Council works effectively with its partners locally, regionally and nationally.
- 1.5 The key underlying principles of the MTFS are:
- securing a balanced budget with reduced reliance on the use of reserves and general balances to support its everyday spending;
 - setting increases in Council Tax when appropriate; and
 - delivering service efficiencies and generating additional income where there are opportunities to do so.
- 1.6 Part of the process of delivering a robust MTFS to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in **Appendix A1**.
- 1.7 Sections 2 to 4 provide an update on the financial challenge facing the Council, taking into account the economic factors, the local government finance environment, and the Council’s key funding streams. Sections 5 to 7 outline how the Council will respond to the challenges, as expressed in terms of its budget and strategies towards reserves and capital.

2 PUBLIC FINANCES

- 2.1 On 22 November 2023 the Chancellor held the Autumn Statement 2023. No new funding was announced for local authorities, and the outlook for local government spending reviews continues to look very tight, with pressure on the public sector to achieve 0.5% annual productivity improvements. The Autumn Statement focused on reducing debt, cutting tax and rewarding hard work, back British business, building domestic and sustainable energy and delivering world-class education.
- 2.2 Following the Autumn Statement, concern over the financial sustainability of many councils across the country continues to be highlighted. Government funding for councils has increased in recent years, but a combination of high inflation and rising demand for services places unprecedented pressure on local authority budgets. Longer-term funding certainty is required, alongside promised reform of the funding system which has been delayed for several years now.

3 ECONOMIC INDICATORS

- 3.1 The Office for Budget Responsibility (OBR) published its latest report to coincide with the Autumn Statement. The OBR provides an independent judgement about economic and fiscal prospects and the impact of government policies.
- 3.2 The latest report from the OBR indicates that the economy recovered more fully from the pandemic and has been resilient to the energy crisis. The economy is expected to grow more slowly over the medium term and inflation is expected to be more persistent and domestically fuelled. The OBR forecasts inflation to continue to fall gradually, with Consumer Price Index (CPI) inflation expected to be 4.8% in Quarter 4 of 2023 and fall further to 2.8% in Quarter 4 of 2024. CPI inflation is expected to fall below 2% during 2025 to 2027, before returning to the Bank of England's target of 2%. Interest rates are also expected to remain higher for longer to control inflation.
- 3.3 The current economic environment is one of high inflation and interest rates. The national economic background affects the costs the Council incurs, the funding it receives, and contributes to the demand for services as residents are affected by economic circumstances.

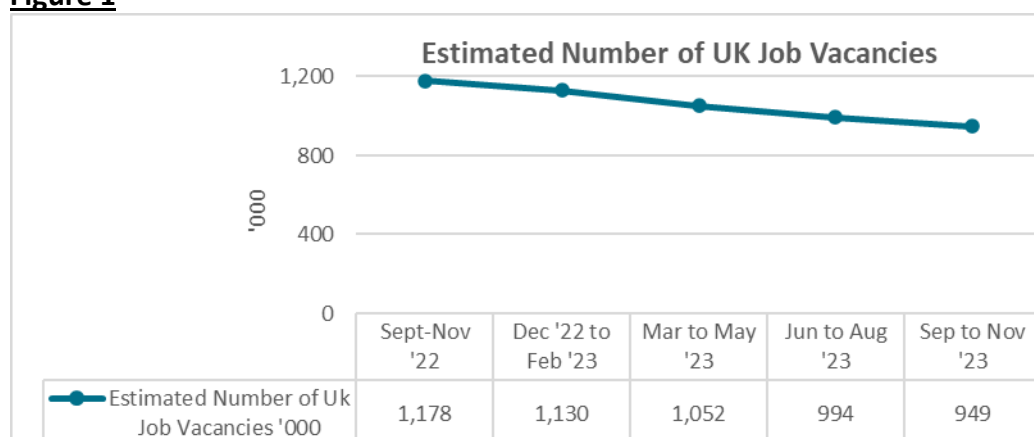
Gross Domestic Product (GDP)

- 3.4 Data released by the Office for National Statistics (ONS) in November, estimates no GDP growth in Quarter 3 2023 (July to September), compared to a 0.2% increase in Quarter 2. In output terms, there was 0.1% increase in construction output which offset a 0.1% fall in the services sector. There was a fall in household consumption from lower spending on miscellaneous goods and services, transport, and spending on food and non-alcoholic drink. There was also a decrease in government spending, particularly in the areas of health and education.

Employment

- 3.5 The OBR central forecast for unemployment expects this to rise to 1.6 million people (4.6% of the labour force) in the second quarter of 2025, which reflects rising interest rates and slower GDP growth.
- 3.6 As per the ONS, in September to November 2023 the estimated number of job vacancies in the UK was 949,000. This is down by 229,000 a year ago but remains 148,000 above pre-pandemic levels (January to March 2020). See **Figure 1** below.

Figure 1

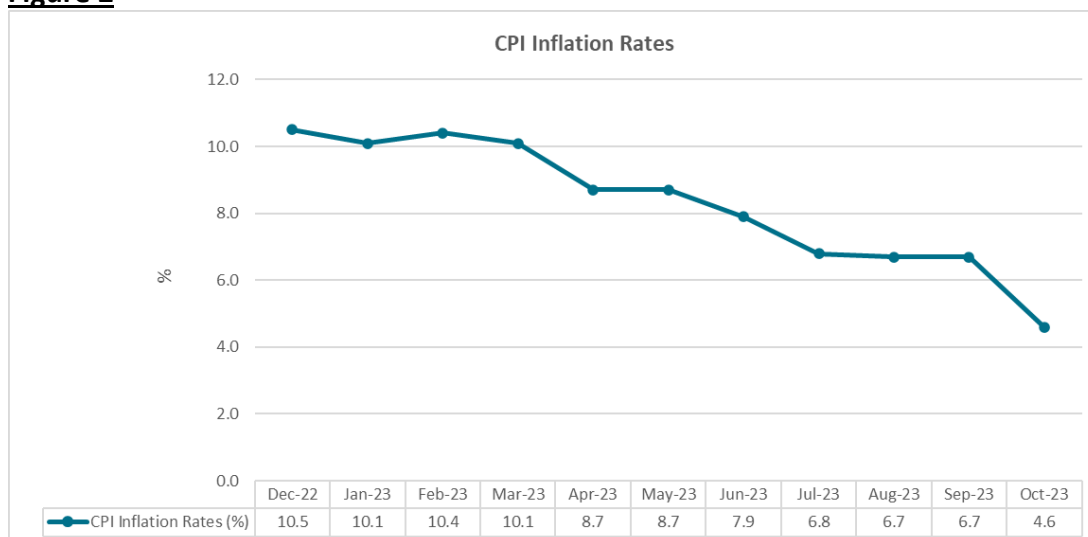


Source: ONS December 2023

- 3.7 The national living wage will increase from 1 April 2024 by 9.8% to £11.44 with the age threshold lowered from 23 to 21 years old.

Consumer Pricing Index (CPI)

- 3.8 Twelve-month CPI inflation to October 2023 was 4.6%, down from 6.7% in September. The largest downward contribution came from falling gas and electricity prices, although these still remain high compared to recent years. The price of gas in October 2023 was around 40% higher than in October 2021, and the price of electricity was around 40% higher compared to last year.
- 3.9 The Bank of England projects for CPI inflation to fall to around 4.5% by the end of the year and to continue to fall towards the 2% target next year.
- 3.10 For local government, the September CPI is important because it will be used to index the business rates multiplier, and to uplift Revenue Support Grant (RSG) and the baselines within the Business Rates Retention System (BRRS).
- 3.11 **Figure 2** below shows the CPI rates from October 2022 to date.

Figure 2

Source: ONS November 2023

Bank Interest Rate

- 3.12 At its meeting on 13 December 2023, the Bank of England’s Monetary Policy Committee (MPC) voted by a majority of 6-3 to maintain the Bank Rate at 5.25%, Three members of the Committee preferred an increase of 0.25% to 5.5%. The next meeting of the MPC to review the bank rate is 31 January 2024.

4 LOCAL GOVERNMENT FINANCE

- 4.1 The introduction of the Local Business Rates Retention System in 2013/14, together with the Government’s programme of fiscal consolidation since 2010, have combined to both reduce the level of funding available to the Council, and to shift the balance of funding significantly away from central to local sources.
- 4.2 The Spending Review 2021, which covered 2022/23 to 2024/25 was broadly positive for local government, with funding better than expected. Increased funding was largely front loaded with growth in grant funding in 2022/23 and no further general increases in the following two years. There were various smaller allocations within the core funding announcement, including £200m for the “cross-government Supporting Families programme”, £37.8m for cyber security and £34.5m for “strengthen local delivery and transparency”.
- 4.3 On 5 December 2023 DLUHC published a Local Government Finance Policy Statement 2024/25. This set out the government’s intention for the local Government Finance Settlement for 2024/25. This builds on the policy statement released the same time last year, with no significant change to funding proposals. It is noted in the policy statement that in recognition of pressures across the sector, all authorities will see at least 3% increase in their Core Spending Powers before any decision on organisation efficiencies, use of reserves, and council tax levels, through the Funding Guarantee. There will also be another year of New Homes Bonus.
- 4.4 The Policy Statement also confirmed the Council Tax referendum principles which is unchanged from last year.

4.5 The provisional settlement was released on 18 December. The government has launched a consultation on the provisional settlement which will run until 15 January. Responses will be considered before the release of the final settlement so there is the potential for changes to be made in the final settlement. Due to the timing of the release of the provisional settlement and the publication of this report, the MTFS figures for settlement grants, will be updated in readiness for the Scrutiny Committee meeting on 18 January 2024. The New Homes Bonus has however been captured.

4.6 **Core Funding Streams** – this includes the Revenue Support Grant and the Rural Services Delivery Grant.

Revenue Support Grant (RSG)

4.7 For 2023/24 two grants have been rolled into RSG. This is the Local Council Tax Administration Grant (£0.268m) and the Family Annexe Council Tax Grant (£0.061m). Both Grants are currently received by the Council separately and are not new grants. Based on the Policy Statement the RSG grant (including the rolled in grants) will increase at September CPI (6.7%) to £0.400m on the current year. This is additional income to next year of £0.060m. For the purpose of update the MTFS, it will be assumed that the grant will continue at £0.400m across the MTFS.

Revenue Support Grant	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
MTFS (December 2023)	(703)	(400)	(400)	(400)	(400)

Rural Services Delivery Grant (RSDG)

4.8 The Rural Services Delivery Grant (RSDG) is a government grant recognising cost pressures associated with service delivery in rural sparse areas. The 2023/24 Final Settlement unexpectedly increased this grant to £0.291m from £0.260m. The Policy Statement indicates that this grant will continue for next year and the current assumption for future years is to remain at the 2022/23 level.

Rural Services Delivery Grant	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
MTFS (December 2023)	(291)	(260)	(263)	(265)	(265)

4.9 **Non-Core Funding Streams** - the below grants are non-core funding streams and they are usually seen as temporary or one-off. This potentially gives the Government scope to make changes to funding distributions.

Funding Guarantee Allocation

4.10 For 2023/24 the Government announced repurposing the Lower Tier Services Grant (LTSG) (£0.311m for East Suffolk) and a proportion of the expired New Homes Bonus legacy payments to ensure that all councils would see at least a 3% increase in Core Spending Power before any decisions about organisational efficiencies, use of reserves or Council Tax levels. The LTSG was abolished and repurposed towards a new funding stream, the Funding Guarantee Allocation, in recognition of the inflationary pressures across local authorities. For 2023/24 the Council received an allocation of £1.512m and the recently issued Policy

Statement indicates this funding will be made available for 2024/25. The current MTFS assumes a continuation of this funding.

Funding Guarantee Allocation	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
MTFS (December 2023)	(1,512)	(1,519)	(1,519)	(1,519)	(1,519)

Services Grant

- 4.11 This was a new one-off grant in 2022/23 to provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. This funding continued in 2023/24 but at a reduced level from £0.477m to £0.280m. The current MTFS assumes this funding will continue in some form when the local government finance system is reformed. The Policy Statement confirms this funding will be made available in 2024/25, although at a reduced amount.

Services Grant/Transition Funding	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
MTFS (December 2023)	(280)	(269)	(269)	(269)	(269)

Business Rates – Business Rates Retention and Fair Funding Review

- 4.12 In February 2016 a Fair Funding Review was also announced, which will affect how funding is allocated and redistributed between local authorities. Implementation of this review has been delayed and is now unlikely to be implemented before 2026/27, a shift from 2025/26 at the last budget setting round.
- 4.13 Implementation of the Fair Funding Review is likely to include a 'reset' of the business rates system, which would involve assigning a new baseline funding level and subsequent new tariff or top-up values. Reset of the system and the establishment of new funding formulae could result in East Suffolk Council losing some of the financial advantage that it has under the current system. As a result of the delay in implementing Business Rates reforms, the Council has benefited from additional years under the current regime. This base assumption has been rolled forward in the MTFS and the figures presented in paragraph 4.16 below.

Business Rates

- 4.14 Since 2013/14, business rates income has tended to be characterised by a high degree of volatility and uncertainty. Variances between estimated and actual business rate income are realised in the form of deficits or surpluses on the business rates element of the Collection Fund. For each year, the amount of business rates income credited to the General Fund is the amount estimated on the National Non-Domestic Rate (NDR1) return to Government submitted in January in the preceding year, including a calculation of the estimated Collection Fund deficit or surplus to be charged to the General Fund. As a result, in practice, variances between business rates estimates and actual figures are reflected as an element of the Collection Fund deficit or surplus two years after they take place. The figure for the 2024/25 Collection Fund deficit will be calculated in January 2024 for the budget process.

- 4.15 **Suffolk Pool** – In October 2023 all Suffolk councils agreed to continue a pooling arrangement for 2024/25, which would allow them to retain a larger proportion of their share of growth by reducing the overall levy rate for Suffolk to £nil. Suffolk County Council is the administering authority for the Pool and collates the NNDR1 returns of all of the Suffolk authorities. In addition, and for 2024/25 only, Suffolk Public Sector Leaders (SPSL) have agreed for their share of the pooling benefit for next year, to be distributed to the pool members using the same methodology as for the normal distribution. Demand and inflationary pressures are having a significant impact on council budgets and this will provide additional financial support through these pressures and to assist with setting balanced budgets and to protect council services. The Council is currently estimated to receive a Pooling Benefit for next year of £3.9m. In addition to this, the Pool also holds a £2m contingency reserve, also to be re-distributed to the Pool members in 2024/25. The total estimated value for the Pooling Benefit to the Council is £4.6m, this is £3.6m above the current budget for next year.
- 4.16 Business Rates income for 2024/25 is based on the NNDR1 return. All Business Rates estimates included in the MTFs, including the Pooling Benefit will be updated following the completion of the return in January 2024. This will include the split between Section 31 Grant and actual rates income. The MTFs includes a reducing Pooling Benefit estimate for 2026/27 onwards, reflecting the uncertainty with reform of the system.
- 4.17 As referred to earlier, the Business Rates system may be subject to reform after 2026/27 with the changes potentially not impacting as seriously as previously forecast. In light of the impending reform, the approach that has been taken is to roll forward the estimates for 2023/24 through to 2027/28, with the exception being a tapering of the Pooling Benefit estimate. This is to reflect a cautious approach to the overall Business Rates income position in the latter years of the MTFs. Inflation in the system and the interaction between business rates income and the 2023 Revaluation adjustment improved the position for 2023/24, and it is uncertain how this will impact in 2024/25. This position will not become clear until the NNDR1 is completed in January. To plan for mitigating this, surplus income (£2.46m) from Business Rates, over and above addressing the budget gap for the current year(2023/24), has been transferred to the Business Rates Equalisation Reserve. The MTFs assumption is that the Council will continue to retain 100% Business Rates income from Renewables, and this has been reflected in the table below. It is also worth noting that even if the current treatment of existing Renewables is revised, any new Renewable hereditaments coming online during the MTFs period will improve the forecast position.

Business Rates Income	Original 2023/24 £'000	MTFS 2024/25 £'000	MTFS 2025/26 £'000	MTFS 2026/27 £'000	MTFS 2027/28 £'000
Business Rates Income	(6,852)	(6,852)	(6,852)	(6,852)	(6,852)
Business Rates Renewables	(1,560)	(1,560)	(1,560)	(1,560)	(1,560)
Total Business Rates Income	(8,412)	(8,412)	(8,412)	(8,412)	(8,412)
Share of Pooling Benefit	(2,000)	(4,600)	(2,000)	(1,000)	(500)
Section 31 Grant	(10,677)	(10,677)	(10,677)	(10,677)	(10,677)
Total Income Relating to Business Rates	(21,089)	(23,689)	(21,089)	(20,089)	(19,589)

Council Tax

- 4.18 Council Tax is one of the Council's most important and stable income streams, funding approximately 40% of the net budget requirement of the Council. The Policy Statement for 2024/25 confirms a council tax referendum principle for shire district councils of up to 2.99% or £5, whichever is higher.
- 4.19 **Council Tax Base** – The CTB1 Council Tax Base Return was submitted to Government on 2 October 2023.
- 4.20 The 2024/25 Council Tax Base at **Appendix A2** was approved by Cabinet at its meeting on 5 December 2023. The increase in the tax base for East Suffolk is currently estimated to be 677.81 (0.75%) Band D equivalent properties, increasing the overall tax base for East Suffolk from 90,340.92 to 91,018.73 for 2024/25. This equates to around £0.123m of additional Council Tax income to the Council based on the current District Band D Council Tax of £181.17.
- 4.21 **District Band D Council Tax 2024/25** – Assuming an increase of up to the referendum principle for 2024/25, this would equate to a District Band D Council Tax for East Suffolk of £186.57, an increase of £5.40 or 2.98%. It would generate approximately £0.492m of additional income for East Suffolk. Total income to the Council from Council Tax would be £16.982m.
- 4.22 Based on the above data, the table below sets out the current estimated Council Tax income based on the referendum limits of 2.99% or £5, whichever is higher and is included in the MTFS.

Council Tax Income	Estimated 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000
Council Tax Income - Base	(15,688)	(16,367)	(16,982)	(17,502)	(18,026)
Growth in Tax Base	(232)	(123)	(68)	(70)	(72)
Council Tax Increase	(447)	(492)	(452)	(454)	(456)
Total Council Tax Income	(16,367)	(16,982)	(17,502)	(18,026)	(18,554)
Council Tax Band D	£181.17	£186.57	£191.52	£196.47	£201.42
Council Tax Base	90,340.92	91,018.73	91,382.80	91,748.34	92,115.33
Growth/Reduction(-) in Tax Base	1.48%	0.40%	0.40%	0.40%	0.40%
Council Tax Increase £	£4.95	£5.40	£4.95	£4.95	£4.95
Council Tax Increase %	2.81%	2.98%	2.65%	2.58%	2.52%

Assumptions from 2024/25: Council Tax increases of 2.99% or £5, whichever is the higher.

- 4.23 The February 2023 MTFS for 204/25 had assumed growth to the tax base of 0.40% compared to the current estimate of 0.75%. This additional growth of 0.35% is about £0.060m of additional income. From 2025/26 a cautious approach continues to be taken to growth in the overall tax base and this is forecast to fall for the remainder of the MTFS period. This is a combination of completion of development sites levelling off, and prudent assumptions regarding LCTRS reliefs and collection rates. The below table shows the December update to the MTFS for Council Tax income.

MTFS - Council Tax Income	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000
MTFS February 2023	(16,367)	(16,882)	(17,400)	(17,922)	(17,922)
MTFS December 2023	(16,367)	(16,982)	(17,502)	(18,026)	(18,554)
MTFS Update December 2023	(0)	(100)	(102)	(104)	(632)

- 4.24 **Council Tax Collection Fund** – The current estimate for the Council Tax Collection Fund for 2024/25 is a surplus of £1.091m, with East Suffolk’s share equating to £0.140m. The remaining balance of the surplus is shared by Suffolk County Council and the Police and Crime Commissioner for Suffolk.
- 4.25 The Collection Fund is monitored closely throughout the financial year and the Collection Fund position will be confirmed in January 2024.
- 4.26 **Council Tax Premium on Second Homes** - The Levelling-up and Regeneration Bill received Royal Assent at the end of October 2023 which included giving billing authorities the discretion to charge a 100% premium on second homes or empty dwellings. It gives billing authorities the power to charge a 100% premium on “dwellings occupied periodically”. At its meeting on 25 January 2023, Full Council approve this in principle, subject to the Bill receiving Royal Assent. In order to implement the premium, a clear 12 month period and a full financial year’s notice is required. Therefore the earliest a Second Home Premium could be charged is the 1 April 2025. Although the Act has been passed the categories of properties exempted from the second home premium have not yet been disclosed and regulation is being awaited.
- 4.27 Given the number of second homes in Suffolk, this 100% council tax premium should represent a significant addition to the income stream from Council Tax. It is estimated that this could generate in the region of £8m in East Suffolk - £6.2m for Suffolk County Council, over £1m for Suffolk Police, and £0.700m for East Suffolk Council. The current MTFS does not yet take account of this potential additional income for East Suffolk Council.

New Homes Bonus (NHB)

- 4.28 The Government established the New Homes Bonus to provide an incentive for local authorities to encourage housing growth in their areas. NHB is funding allocated to councils based on the building of new homes and bringing empty homes back into use. The intention for the New Homes Bonus is to ensure that the economic benefits of growth are returned to the local authorities and communities where growth takes place.
- 4.29 In recent years there has been much uncertainty as to the future of NHB, with the last three years being a one-year settlement and another one year settlement has now been confirmed for 2024/25. This is estimated to be in the region of £0.650m.
- 4.30 The Council uses NHB funding to support specific community related projects and initiatives across East Suffolk. This is balanced against the overriding need to retain financial sustainability. NHB funding is transferred to the NHB reserve and released when required. The primary use of the funding is for the East Suffolk Community Partnerships and the Enabling Communities Budgets, totalling approximately £1m per annum. In November 2022, Cabinet considered and approved a paper to continue the Enabling Communities Budgets until March 2027 and for the Community Partnerships to continuing until 2024/25, with a further two years subject to NHB funding being available. This is

reflected in the updated position on the NHB Reserve below. No further funding is anticipated beyond 2024/25 and insufficient funding would remain beyond March 2027 to continue both of these initiatives.

- 4.31 **Appendix A3** sets out the current position on the NHB Reserve and the proposed use of NHB funding for East Suffolk Council. This is summarised in the table below.

NHB Reserve	Forecast 2023/24 £'000	Forecast 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000
Opening Balance	(5,438)	(3,919)	(3,078)	(1,818)	(682)
Add: Allocation Received	(447)	(650)	0	0	0
Less: Proposed Use	1,966	1,491	1,260	1,136	50
Closing Balance	(3,919)	(3,078)	(1,818)	(682)	(632)

5 MEDIUM TERM FINANCIAL POSITION

MTFS Forecasts 2024/25 to 2027/28

- 5.1 The Finance team works with Service Areas to review their budget requirements and budget monitoring is an ongoing process between Finance, Service Areas, and the Corporate Leadership Team. This work leads to continual updating of the MTFS for the Council. As of December 2023, key areas of the budget that are yet to be finalised include;
- East Suffolk Services Ltd (ESSL)
 - Business rates income
 - Announcement of the Local Government Settlement for 2024/25
 - Use of reserves.
- 5.2 The following areas are identified as having potential revenue budget implications for this financial year and future years. Some areas cannot yet be quantified or quantified with a degree of certainty, i.e. figures are currently being worked on and/or insufficient information available.

Budget Area to be Monitored	Areas Impact	Nature of Impact	Timing of Impact
Asset Management Rent Review.	Council income budgets from assets.	Potential to increase the income to the Council. This will need to be quantified and captured in the update of the Council's MTFS into next year's budget setting.	Current year and going forward.
Capital Programme.	Revenue implications from capital programme revisions.	Additional revenue costs to the General Fund - direct revenue financing, use of reserves, capital charges to revenue, revenue costs to support delivery of capital projects and income generation from capital projects.	On-going
ESSL.	General Fund, HRA and	Service investment for ESSL. Council budgets to be updated to reflect management fee to ESSL	Current year and future years.

Budget Area to be Monitored	Areas Impact	Nature of Impact	Timing of Impact
	capital programme.	and some services brought back in-house. Recognition of service investment and improve plan for ESSL and costs pressures in the operations environment, e.g. pay and inflation.	
Inflation.	General Fund, HRA and Capital Programme.	Increasing costs.	Current year and future years.
National pay award for 2024/25.	Council staffing costs.	Current budget assumption is for a 3% increase for Council staffing n 2024/25. Based on the pay settlements for the current year and last year, this would be above the current budget assumption.	2024/25 and future years.
Norse.	Profit share income.	Settlement of 2022/23 profit share (Accrued £0.560m) and April-June 2023/24 (Budgeted £0.074m). The position will be assessed as part of Quarter 3 monitoring.	Current year.
Recruitment difficulties.	Particular area of specialism.	Agency and contract costs may be required which can be more costly. Current forecasts show this being absorbed in existing budgets.	Ongoing.
Treasury Management Investment income.	General Fund and HRA income.	With higher rates of interest this is providing favourable returns on treasury management investments.	Current year and the next 2-3 years.
Workforces pay pressure/grade inflation.	Council staffing costs.	Increased staffing costs. Annual staffing vacancy allowance in the budget is at risk.	Ongoing.

5.3 The MTFS was last updated in February 2023. A summary analysis of the key movements as of December 2023 is shown in the following table. This table is supported by **Appendix A4** **Appendix A5**. As noted in paragraph 5.1 above, there is continual updating of the MTFS and there are key areas of the budget still to be finalised which are not included in this update.

MTFS Updates	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Additional Cost	4,204	4,264	3,723	4,341
Savings	(1,003)	(1,203)	(1,628)	(1,528)
Additional Income	(6,965)	(3,933)	(2,789)	(2,661)
Reduced Income	255	255	255	255
Use of Reserves	2,209	(260)	532	852
Net Total	(1,300)	(877)	93	1,259

5.4 The updated MTFS position resulting from these movements as of December 2023 is shown below.

MTFS Position	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
MTFS February 2023 Budget Gap/(Surplus)	3,511	6,008	6,405	6,405
Net Total of MTFS Updates (Appendix A4)	(1,300)	(877)	93	1,259
MTFS December 2023 Budget Gap/(Surplus)	2,211	5,131	6,498	7,664

Budget Planning Assumptions

5.5 The Council's financial planning assumptions are summarised below:

Budget Area	Assumption
Inflation	
<i>Goods & Services</i>	3% for budgets which are subject to inflation and where inflation is built into contracts.
<i>Utilities (Electricity)</i>	2024/25 4.4% increase (November Monetary Policy Report forecast CPI for Q1 2024), future years maintain at the 2024/25 budget.
<i>Utilities (Gas)</i>	2024/25 4.4% increase (November Monetary Policy Report forecast CPI for Q1 2024), future years maintain at the 2024/25 budget.
<i>Utilities (water & Sewage)</i>	2024/25 4.4% increase (November Monetary Policy Report forecast CPI for Q1 2024), future years maintain at the 2024/25 budget.
Fees & Charges	3% increase to be applied for 2024/25 where appropriate.
Staffing Costs	2023/24 Current offer of an additional £1,925 on all SCP 1 and above, 2024/25 3% increase, plus incremental progression, 2025/26 onwards 2% increase, plus incremental progression. 4% per annum of staffing costs for vacancy allowance.
Investment Income	2.75% Call Account (average as of September 2023), (2.15% Sept 2022) 5.19% Money Market Fund (September 2023), (1.73% Sept 2022) 3.80% Property Fund (average as of September 2023), (3.4% Sept 2022) 4.05% Diversified Income Fund (September 2023), (4.05% Sept 2022)

Goods & Services – Inflationary Pressures

- 5.6 The Council's financial strategy has previously assumed for a number of years that any inflationary pressures incurred on goods and services expenditure are contained within existing budgets, or through more efficient spending. The exceptions being utility costs, rates and specific contract increases.
- 5.7 It is now recognised that this approach is becoming more challenging with inflation remaining high. Budget headings are therefore being reviewed as part of the process where inflationary increases are evident. For example, subscriptions and software licensing. As mentioned in Section 3, there is an expectation for inflation to gradually fall over the next two year but higher base costs will be part of the Council's budgets going forward due to the current inflationary pressures. The impact of inflation is most evident in the Capital Programme, utilities and insurance premiums, and the Council's Operation services.

- 5.8 Contracts have been inflated based on the specified inflation indices within each individual contract. Retendering of contracts is part of the Council's strategy for cost reduction and to ensure best value.

Fees and Charges

- 5.9 Fees and Charges are based on the Council's agreed principles of increasing existing fees and charges on a market forces basis, whilst remaining consistent with the Council's Strategic plan and relevant Governments legislation.
- 5.10 Prior to 2022/23, the Council adopted a standard approach, increasing fees and charges in line with price inflation as a minimum uplift. However, given the heightened inflation levels, this approach was not applied for the review of 2023/24 or 2024/25 fees and charges, with a reduced rate of 3% recommended for 2024/25, in line with future forecasts, ensuring the Council remains affordable to its stakeholders.
- 5.11 Charges are reviewed considering local demand, along with reflecting changes in the cost of delivering the services, factoring changes that have either already occurred, or are expecting to occur over the next financial year, with cost recovery aimed to assist in balancing the overall cost pressures. Unless statutory restrictions apply, the Council aims to use all resources available, which includes reviewing opportunities to introduce new fees as appropriate. Proposed fees and charges for 2024/25 will be considered by Cabinet on 2 January 2024.

Interest Payable and Receivable

- 5.12 **Interest Payable** - The budget for debt interest over the current MTFS period totals £1.587m. This has not been revised in this update of the MTFS. The existing loans are all fixed rate loans and therefore not susceptible to market increases. Where the capital programme requires future additional borrowing, the budget will be updated as and when projects are completed and actual borrowing is known.
- 5.13 **Interest Receivable** – Short-dated cash rates are around 5.2% for 3 month rates (4.1%, 6 April 2023) and 12-month rates around 5.55% (4.4%, 6 April 2023). The rates on the Treasury's Debt Management Account Deposit Facility (DMADF) currently range between 5.17% and 5.25% (4% to 4.1%, 6 April 2023).
- 5.14 The Council's investment portfolio in the short term is looking healthy with the prospect of increased returns on investments. In the current year it is expected that actual investment income will exceed the budget of £1.6m, by at least £2.4m. For the MTFS, it is expected for investment income to remain high for the next two years, and then for a cautious approach to be taken with estimates thereafter. For 2024/25, the budget for investment income is being increased by £1.74m and £1.040m the year after. It should be noted that not all of this benefit will be realised in the General Fund, as the HRA share of investment income will also increase.

Establishment Costs

- 5.15 Establishment costs total are the single largest revenue cost for the Council and represents 50% of its total direct expenditure.

- 5.16 **Public Sector Pay** –The 2023/24 pay award was £1,925 (pro rata for part-time employees) on pay points 2 to 43. This exceed the current budget assumption of 4%, in the region of £0.700m to £0.800m. This will impact all years of the MTFS. The pay award assumption for 2024/25 is current 3% and 2% thereafter. A contingency will be incorporated into the budget for the pay award to be above the current assumption for next year.
- 5.17 **Actuarial Valuation** - The latest triennial actuarial valuation of the assets and liabilities of the Suffolk County Pension Fund was completed on 31 March 2022. The Fund’s Actuary have reported the actuarial funding position for the Pension Fund of 107%, an increase of 8% since the last valuation exercise in 2019. This is the first time that the Fund has reached 100% funding.
- 5.18 The Pension Fund specifically relating to East Suffolk Council is 110% funded, an increase from 99% at the time of the last review on 31 March 2019. The triennial review also sets the employer contribution rates for the next three years – 2023/24 to 2025/26. This was set at 25% and provided 88% probability of success that over 20 years the Pension Fund will remain or achieve 100% funded.

Other Pressures

- 5.19 In formulating its detailed spending plans, the Council has also taken account of past performance and the previous year’s outturn position.
- 5.20 Ranging from increased demand for services or changes in national policy, the Council’s MTFS will be adjusted to reflect the financial implications of these changes. The budget monitoring work is ongoing with the Finance Team working with service areas to review their budget requirements. This work will continue to update the MTFS through to January 2024.

East Suffolk Services Limited (ESSL)

- 5.21 East Suffolk Council created ESSL to operate as a Local Authority Trading Company (LATCo) following a thorough review of its partnership with Norse which ended on 30 June 2023. Some functions and staff have transferred to the Council, and ESC budget estimates and profiles for 2024/25 are currently based on data of the previous partnership. With the new arrangement now in operation the Council and ESSL are currently working together on the budget for 2024/25. Over the budget setting process the Council and ESSL will be working together to build more detailed budget information and it is expected for updates to feed into the MTFS after Quarter 3 of the current year.

6 RESERVES AND BALANCES

- 6.1 In order to manage its financial affairs soundly, the Council needs to hold an appropriate and necessary level of reserves and balances. These allow it to:
- a) manage its cash flows economically and avoid temporary borrowing pending receipt of income due during the year;
 - b) deal promptly and efficiently with emergencies if they occur, as this year;
 - c) take previously unseen opportunities to secure benefits that may arise during the year;

- d) mitigate reliance on volatile sources of funding;
 - e) set money aside for known events but where the timing or precise amount required is not yet certain; and
 - f) accumulate monies to meet costs that it would be unreasonable for taxpayers to meet in a single year.
- 6.2 In addition to the General Fund Balance, the Council keeps a number of earmarked reserves on the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans or potential liabilities.
- 6.3 The Council has continued to develop its prudent financial management arrangements, through the development of earmarked reserves to mitigate potential future risks. As issues arise, the potential requirement for an earmarked reserve is considered. New earmarked reserves are formally considered as part of the detailed budget process, to ensure that risks identified are adequately mitigated, and throughout the annual budget monitoring process as risks arise or become clearer.
- 6.4 The detailed budget process includes an assessment of risk, the adequacy of General Fund balances and a review of earmarked reserves. This review evaluates the need to create and/or change earmarked reserve levels and to also release reserves which are no longer required, thereby becoming a one-off resource for the Council. As part of this year's review it will include a refresh of the reason for/purpose of each reserve, and how and when they can be used.
- 6.5 A risk assessment of the General Fund Balances informs the Chief Finance Officer's view of the adequacy of reserves to provide assurance to the budget. Having regard to the financial risks surrounding the budget planning process; the Council has maintained for a number of years the level of General Fund balances at around 3%-5% of its budgeted gross expenditure (in the region of £130 million for East Suffolk). This would equate to maintaining a General Fund balance for East Suffolk, in the region of between £4m and £6m. As of 1 April 2023, the opening General Fund balance of East Suffolk stood at £6m. Given the pressures on council finances and the uncertainty with Government funding going forward it may be prudent to increase this general fund balance to between £6m and £8m.
- 6.6 Further use of the General Fund balance will be evaluated against an assessment of risk, to ensure financial sustainability for the Council is maintained, whilst supporting the strategy direction and ambitions of the Council. The current update of the MTFs does not include any use of the General Fund balance.
- 6.7 One of the key underpinning financial principles of the MTFs is to not use the Council's Reserves (and other one-off resources) as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.
- 6.8 The opening balances for 2023/24 are subject to external audit review and could therefore change.

6.9 The total balance of General Fund Earmarked Reserves was £48.57m as of 1 April 2023. Earmarked Reserves are categorised into the following groups;

- **Grants/Funding Carried Forward** – this is external funding the Council has received for specific purposes and is drawn down from reserves when spend is incurred.
- **Planned Future Revenue Spending** – Council funding has been set aside for specific service areas and/or projects.
- **Planned Future Capital Spending** – this is revenue funding set aside to provide funding for the capital programme.
- **Risk Based** – Council funding has been set aside for unforeseen budget pressures and fluctuations in budget areas of volatility. The Business Rate Equalisation Reserve is the main reserve within this group. This reserve is held to manage fluctuations in Business Rates income, due to the timing of accounting treatments. The balance on this reserve as of April 2023 was £15.2m.

6.10 The projected balances on reserves will continue to be reviewed and updated throughout the budget process. The table below shows the current projections for the General Fund Earmarked Reserve over the MTFS, categorised as above. This summary does not include use of reserves to address the updated budget gaps as presented in **Appendix A5**. If the budget gap identified at this early stage of the MTFS for 2024/25, is still present at the end of the budget process, then use of the In-Year Savings Reserve and the risk based reserves will be made to balance the budgets.

East Suffolk General Fund Reserves	Opening Balance 1st April 2023	MTFS April 2024	MTFS April 2025	MTFS April 2026	MTFS April 2027
	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves:					
Grants/Funding Carried Forward	6,107	3,961	3,845	3,793	3,742
Planned Future Capital Spending	1,161	1,012	1,155	1,347	1,539
Planned Future Revenue Spending	16,637	13,394	11,435	9,861	8,729
Port Health	3,699	1,277	739	338	0
Risk Based	19,799	19,133	18,118	18,138	18,148
Covid Reserve	1,165	0	0	0	0
Total Earmarked Reserves	48,568	38,777	35,292	33,477	32,158

7 CAPITAL STRATEGY

7.1 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in East Suffolk, along with an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy for the period 2024/25 to 2027/28 will be considered by the Audit & Governance Committee and Cabinet before approval by Full Council in February 2024. Capital planning is about financial investment on the purchase of new assets, the creation of new assets and enhancing and/or extending

the useful life of existing assets. The Council aims to achieve the optimum balance between the future needs of East Suffolk, including the need to drive growth, whilst ensuring affordability in the short and long term. Key principles include:

- Developing asset and capital strategies that facilitate a long-term approach to decision-making.
- Ensuring that assets are only held as needed to achieve Council objectives.
- Maximising efficiency in the management and use of assets.
- Ensuring that pressure to achieve short-term savings does not compromise the value of assets through lack of investment.
- Ensuring that capital investment is targeted where it will achieve the greatest long-term benefit.

7.2 Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a major priority. A refresh of the current Asset Management Strategy, which was approved in July 2019, is about to commence and will need to link with the MTFS.

7.3 For the purposes of setting the budget for 2024/25 and medium-term financial planning, the current rolling Capital Programme has been updated to reflect existing projects and the latest capital investment plans for the period 2024/25 to 2027/28 are included.

Capital Programme

7.4 The Capital Programme including both General Fund and HRA elements is subject to the scrutiny process and formally adopted by Full Council each year. The decision to accept individual projects onto the Programme is driven by the overriding requirement to support the priorities communicated in the East Suffolk Strategic Plan, providing they are affordable.

7.5 As well as adequately maintaining the asset base, a range of other important factors are considered when deciding upon the allocation of General Fund resources. Consideration is given to:

- Legislation – the need for capital investment due to changes in legislation, including those with health and safety implications.
- Resource Availability – the sustainability of the Capital Programme is a primary consideration and integral to the MTFS.

7.6 Where required, capital projects are supported by a detailed business case, which demonstrates a set of clear objectives and measurable benefits, as well as detailed financial implications. This includes the on-going revenue implications of a capital project, to ensure these are built into the MTFS revenue assumptions.

7.7 Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the Corporate Leadership Team.

- 7.8 The 2023/24 to 2027/28 Capital Programme will be presented to Cabinet on 2 January 2024, Scrutiny Committee on 18 January 2024, and then Cabinet and Full Council on 6 and 21 February 2024 respectively.

EAST SUFFOLK MEDIUM TERM FINANCIAL STRATEGY - KEY PRINCIPLES

1 PRIORITIES, AIMS AND OBJECTIVES

- 1.1 The **East Suffolk Strategic Plan** provides the overarching vision for East Suffolk. In fulfilment of the Plan, the Council makes use of significant resources to achieve its aims including money, people, property and technology. In order to allocate resources to competing demands, achieve effective and efficient use of its resources, best value and ultimately achieve its vision, the Council has several strategies and plans which give a clear sense of direction and underpin the deployment of those resources. The Long Term and **Medium Term Financial Strategies** sit under the **Strategic Plan**, and combined with other strategies and plans, they support and embrace the strategic direction of East Suffolk.

2 STRATEGY OBJECTIVES

- 2.1 The Council's MTFS aims to ensure the provision of the best quality services possible within the resources available. To do so it must maximise the use of its resources to ensure they are used efficiently and effectively to support the development of longer term sustainable objectives.
- 2.2 The specific objectives of the MTFS are to:
- a) ensure that the Council sets a balanced, sustainable budget year by year, so that forecast spending does not exceed forecast resources available to it;
 - b) plan for a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to ensure that it has the financial capacity to deliver the Council's policies and objectives;
 - c) redirect resources over time to adequately support and resource the priorities of the both the Council and the wider community; and
 - d) maintain sufficient reserves and balances to ensure that the Council's long-term financial health remains sound.

3 STRATEGY PRINCIPLES

- 3.1 The principles set out below provide a framework within which the Council will develop its detailed financial plan over the medium term.

General

There are a number of overarching principles that will apply across the Council's detailed financial accounting, planning and monitoring:

- a) that the Council's budgets, financial records and accounts will be prepared and maintained in line with approved Accounting Standards, the CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the relevant sections of the Council's Constitution and Finance Procedure Rules;

- b) prior to setting a budget, the Council will always analyse potential risks and ensure these are minimised in line with its Risk Management Strategy;
- c) that the Council's Corporate Management Team will review the budget proposals for reasonableness and adherence to corporate policies and objectives prior to the budget being submitted to Cabinet;
- d) the Council will monitor its revenue and capital budgets effectively. Monitoring will be undertaken quarterly by Heads of Service together with their portfolio holders, and integrated quarterly monitoring reports will be reported to Cabinet. In cases where significant financial and service performance deviates from that planned, action plans setting out corrective action will be drawn up by Heads of Service / Portfolio Holders and reported to Cabinet as appropriate;
- e) that the Council's Corporate Leadership Team will take appropriate steps to continue to maintain and improve the accuracy and quality of data that it uses throughout the Council thereby ensuring that budget and other decisions are taken on a sound basis; and
- f) the Council will seek to maximise external contributions towards revenue and capital spending for example through bidding for specific grants, attracting levered funding, participating in new funding streams and engaging in further strategic partnering opportunities where appropriate.

General Fund (Revenue)

3.2 In relation to its revenue budgets the Council will:

- a) set a balanced budget each year that will be constructed to reflect its objectives, priorities and commitments. In particular, the budget will influence and be influenced by the Strategic Plan, the Organisational and Development Strategy, Capital and Asset Management Strategies, the Risk Management Strategy, its Comprehensive Equality Scheme and its Consultation and Engagement Strategies;
- b) within the constraints of the resources available to it, set a sustainable budget each year that meets on-going commitments from on-going resources. The Council will continue to aim to maintain its level of general balances when it sets its revenue budget each year now that a prudent level of balances has been achieved;
- c) seek to identify annual efficiency savings through business process improvement, shared service initiatives, service best value reviews and benchmarking and strategic partnering opportunities within and across county borders;
- d) review the appropriateness of service delivery between the Council, parishes and other partners;
- e) increase existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate; and

- f) within Government guidelines, set a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to deliver the Council's policies and objectives.

Capital

3.3 When considering capital investment, the Council will:

- a) maximise the generation of capital receipts and grants to support its planned investment programmes
- b) enhance its capital investment by applying specific grants and contributions, capital receipts, earmarked reserves and revenue contributions, with any balance being met by external borrowing
- c) not recognise capital receipts until there is certainty that the receipt will materialise, and these will not be earmarked against specific developments without express Cabinet approval
- d) allocate its capital resources in line with its Capital Strategy and Asset Management Plan whilst recognising that other priorities may emerge that may require those plans to be amended and resources to be diverted
- e) annually review and prioritise capital schemes in accordance with Council objectives having regard to:
 - i) the business case for any given project; asset management planning
 - ii) affordability in line with the application of the Prudential Code.

Balances and Reserves

3.4 In relation to its balances and earmarked reserves, the Council will:

- each year maintain a level of General Fund balances which takes account of the strategic, operational and financial risks facing the Council.
- have regard to the financial risks surrounding the budget planning process, including those associated with the structural deficit, inflationary pressures, interest rates, partnerships, the treatment of savings, new burdens and demand led expenditure.
- review its earmarked reserves, to ensure the rationale for holding the reserves and the amount of the reserves, remain consistent with their purposes and their approach to risk management; and
- return reserve balances no longer required to the General Fund as appropriate.

Treasury Management and Investment

3.5 The Council will:

- a) having regard to risk, maximise investment income and minimise borrowing costs within the overall framework set out in the Council's annual Treasury Management and Investment Strategy; and
- b) secure the stability of the Council's longer-term financial position rather than seeking to make short-term one-off gains which may lead to higher costs in the long term.
- c) having regard to risk, seek to diversify its investment portfolio; maximise investment income; and deliver economic development objectives through the Asset Investment Strategy (in development).

4 OTHER CONSIDERATIONS

4.1 The Council's spending will have regard to:

- a) the base budget position for the current financial year, adjusted for in year grant changes;
- b) the Council's medium term priorities;
- c) the refocusing of service expenditure through transactional, shared services and other efficiencies to support the achievement of its medium term priorities and satisfy Government funding changes;
- d) demographic and welfare changes;
- e) the impact of the current pandemic;
- f) consultation outcomes;
- g) fiscal matters including:
 - price inflation.
 - the effect on the level of General Fund balances and reserves.
 - the impact of any changes to the capital programme on the potential costs of borrowing.
 - triennial revaluation of the pension fund.
 - ongoing commitments, arising in part, from initiatives that have previously been funded from specific grants.
 - achieving budgeted savings from outsourcing, shared services and service reviews.
 - the likely passporting of some Government departmental savings targets to councils.

RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p style="text-align: center;">Strategic Risks</p> <p>The absence of a robust Medium Term Financial Strategy could adversely affect the Council’s budget and resource planning and projections.</p> <p>Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.</p> <p>Local Government funding is under continuous pressure and review. Failure to respond to these funding pressures may adversely impact on the Council’s ability to service delivery.</p> <p>Budget pressures arising from housing, economic, social and other demographic changes.</p>	<p style="text-align: center;">L</p> <p style="text-align: center;">M</p> <p style="text-align: center;">H</p> <p style="text-align: center;">H</p>	<p style="text-align: center;">H</p> <p style="text-align: center;">H</p> <p style="text-align: center;">H</p> <p style="text-align: center;">H</p>	<p>Continually monitor and refine the strategy in line with changing influences. Updates to the Corporate Leadership Team and Cabinet.</p> <p>Continuously engage with key stakeholders and take advantage of existing consultation methodologies. Continue to monitor and more closely align service levels to demand and need.</p> <p>Take advantage of the Council’s growth opportunities to reduce dependency on government funding. Align service delivery to funding levels, improve exist strategy to minimise risk.</p> <p>Take advantage of technological advancements to understand and reduce unit costs, monitor demand for services and proactively manage resourcing requirements, invest in schemes to promote skills and developments.</p>
<p style="text-align: center;">Financial</p> <p>Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.</p>	<p style="text-align: center;">H</p>	<p style="text-align: center;">H</p>	<p>Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.</p>

RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p>Uncertainty surrounding the Government's change agenda including, business rates and welfare reform over the medium term.</p>	H	H	<p>Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.</p>
<p>Budget pressures from demand led services and income variances reflecting the wider economy.</p>	H	H	<p>Monitor pressures throughout the budget process and take timely actions.</p>
<p>Interest rate exposure on investments and borrowing.</p> <p style="text-align: center;">Information</p>	H	M	<p>Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.</p>
<p>The Council itself has no influence over the outcome of some of the other bigger assumptions such as formula grant, national pay awards, interest rates, inflation and statutory fees and charges.</p> <p style="text-align: center;">Operational</p>	H	M	<p>Key assumptions made are regularly reviewed from a variety of sources. Forecasts are updated as necessary.</p>
<p>The Council has entered into strategic partnerships and contracts and is therefore susceptible to economic, social and demographic changes.</p>	L	M	<p>Effective negotiation, sound governance arrangements and reviews of partnerships performance.</p>
<p>There is a potential risk to the Council if there is a financial failure of an external organisation, providing services to the public on behalf of the Council.</p>	L	M	<p>Ensure rigorous financial evaluations are carried out at tender stage. Consideration of processes to ensure annual review of the successful organisation and review any external auditor comments.</p>

RISKS	PROBABILITY HIGH (H) MEDIUM (M) LOW (L)	IMPACT HIGH (H) MEDIUM (M) LOW (L)	MITIGATING ACTIONS
<p data-bbox="421 244 517 272">People</p> <p data-bbox="125 323 669 352">Loss of key skills, resources and expertise.</p> <p data-bbox="398 560 546 588">Regulatory</p> <p data-bbox="125 639 813 700">Changes of responsibility from Government can adversely impact on service priorities and objectives.</p> <p data-bbox="398 756 546 785">Reputation</p> <p data-bbox="125 836 813 896">Loss of reputation if unforeseen resource constraints result in unplanned service reductions.</p>	<p data-bbox="931 323 949 352">H</p> <p data-bbox="931 639 949 668">L</p> <p data-bbox="931 836 949 865">L</p>	<p data-bbox="1160 323 1178 352">M</p> <p data-bbox="1167 639 1184 668">L</p> <p data-bbox="1167 836 1184 865">H</p>	<p data-bbox="1312 284 2063 507">Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified through 'My Conversation' programme with staff are satisfied.</p> <p data-bbox="1312 600 2033 660">Sound system of service and financial planning in place. Lobby as appropriate.</p> <p data-bbox="1312 794 2063 896">Identify and implement robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.</p>

Band D Equivalent Taxbase by Parish

PARISH	2023/24	2024/25	Difference
Aldeburgh	1,899.17	1,902.89	3.72
Alderton	181.06	181.41	0.35
Aldringham-Cum-Thorpe	606.00	605.16	-0.84
All Saints & St. Nicholas, St. Michael and St. Peter S E	98.83	102.04	3.21
Badingham	235.76	238.42	2.66
Barnby	214.86	216.64	1.78
Barsham and Shipmeadow	134.31	135.65	1.34
Bawdsey	198.00	210.89	12.89
Beccles	3,346.33	3,417.47	71.14
Benacre	32.02	33.00	0.98
Benhall & Sternfield	311.61	318.40	6.79
Blaxhall	112.93	114.84	1.91
Blundeston and Flixton	479.77	483.69	3.92
Blyford and Sotherton	71.90	73.14	1.24
Blythburgh	198.44	198.34	-0.10
Boulge	14.48	14.48	0.00
Boyton	62.44	62.33	-0.11
Bramfield & Thorington	197.96	199.95	1.99
Brampton with Stoven	157.53	156.57	-0.96
Brandeston	146.98	149.31	2.33
Bredfield	151.22	158.61	7.39
Brightwell, Foxhall & Purdis Farm	998.79	991.44	-7.35
Bromeswell	153.62	155.02	1.40
Bruisyard	71.81	72.50	0.69
Bucklesham	205.35	216.46	11.11
Bungay	1,668.62	1,684.00	15.38
Burgh	78.95	79.17	0.22
Butley, Capel St Andrew & Wantisden	118.69	118.26	-0.43
Campsea Ashe	155.80	156.78	0.98
Carlton Colville	2,671.88	2,667.73	-4.15
Charsfield	162.02	168.22	6.20
Chediston, Linstead Magna & Linstead Parva	157.72	153.23	-4.49
Chillesford	75.96	75.82	-0.14
Clopton	142.46	145.99	3.53
Cookley & Walpole	153.25	152.94	-0.31
Corton	588.59	590.47	1.88
Covehithe	13.92	14.14	0.22
Cransford	67.77	71.31	3.54
Cratfield	152.30	154.05	1.75
Cretingham, Hoo & Monewden	208.88	214.14	5.26

PARISH	2023/24	2024/25	Difference
Dallinghoo	82.88	81.79	-1.09
Darsham	228.14	228.12	-0.02
Debach	33.38	32.59	-0.79
Dennington	239.53	239.01	-0.52
Dunwich	85.66	92.04	6.38
Earl Soham	202.51	204.48	1.97
Easton	178.23	178.05	-0.18
Eyke	151.75	152.82	1.07
Felixstowe	8,771.40	8,887.28	115.88
Flixton, St. Cross S E & St. Margaret South Elmham	167.77	166.69	-1.08
Framlingham	1,644.19	1,643.45	-0.74
Friston	208.50	209.85	1.35
Frostenden, Uggeshall and South Cove	172.91	171.31	-1.60
Gisleham	248.94	255.05	6.11
Great Bealings	133.06	132.40	-0.66
Great Glemham	102.19	102.77	0.58
Grundisburgh & Culpho	655.32	664.40	9.08
Hacheston	165.66	180.03	14.37
Halesworth	1,808.83	1,850.61	41.78
Hasketon	186.36	179.69	-6.67
Hemley	26.41	26.73	0.32
Henstead with Hulver Street	138.11	140.35	2.24
Heveningham	61.42	60.34	-1.08
Hollesley	507.88	519.48	11.60
Holton	311.80	310.83	-0.97
Homersfield	59.58	60.97	1.39
Huntingfield	79.71	82.87	3.16
Iken	61.93	62.14	0.21
Kelsale-cum-Carlton	413.65	428.92	15.27
Kesgrave	4,826.19	4,843.74	17.55
Kessingland	1,439.26	1,449.86	10.60
Kettleburgh	108.33	108.03	-0.30
Kirton & Falkenham	557.47	557.16	-0.31
Knodishall	311.92	310.50	-1.42
Leiston	1,957.72	1,987.29	29.57
Letheringham	42.41	42.52	0.11
Levington & Stratton Hall	125.14	122.81	-2.33
Little Bealings	216.46	217.01	0.55
Little Glemham	66.78	69.89	3.11
Lound	127.74	134.89	7.15
Lowestoft	12,926.07	13,032.78	106.71
Marlesford	90.73	89.38	-1.35
Martlesham	2,142.72	2,151.28	8.56
Melton	1,945.62	1,928.05	-17.57

PARISH	2023/24	2024/25	Difference
Mettingham	83.98	89.24	5.26
Middleton	209.69	211.66	1.97
Mutford	186.40	189.39	2.99
Nacton	341.61	340.43	-1.18
Newbourne	112.65	113.73	1.08
North Cove	149.77	152.53	2.76
Orford & Gedgrave	401.90	396.59	-5.31
Otley	327.59	331.12	3.53
Oulton	1,654.14	1,704.08	49.94
Oulton Broad	3,307.43	3,316.03	8.60
Parham	131.13	129.53	-1.60
Peasenhall	245.78	248.41	2.63
Pettistree	87.12	85.36	-1.76
Playford	110.97	112.10	1.13
Ramsholt	12.22	13.72	1.50
Redisham	61.82	62.51	0.69
Rendham	127.13	129.08	1.95
Rendlesham	941.76	955.48	13.72
Reydon	1,196.49	1,199.79	3.30
Ringsfield and Weston	221.74	228.08	6.34
Rumburgh	120.07	119.69	-0.38
Rushmere	34.13	33.81	-0.32
Rushmere St Andrew	2,607.03	2,617.95	10.92
Saxmundham	1,609.94	1,607.64	-2.30
Saxtead	126.45	127.65	1.20
Shadingfield, Sotterley, Willingham and Ellough	182.31	178.58	-3.73
Shottisham	83.44	86.44	3.00
Sibton	96.50	100.30	3.80
Snape	332.72	343.20	10.48
Somerleyton, Ashby & Herringfleet	163.68	163.51	-0.17
Southwold	1,100.22	1,081.77	-18.45
Spexhall	85.54	84.74	-0.80
St. Andrew Ilketshall	116.03	114.63	-1.40
St. James South Elmham	91.17	90.95	-0.22
St. John Ilketshall	20.25	20.25	0.00
St. Lawrence Ilketshall	61.83	63.26	1.43
St. Margaret Ilketshall	70.34	69.85	-0.49
Stratford St Andrew and Farnham	140.49	142.35	1.86
Sudbourne	186.37	187.33	0.96
Sutton	150.97	151.37	0.40
Sutton Heath	374.89	326.79	-48.10
Sweffling	98.89	98.57	-0.32
Swilland & Winesham	427.46	431.03	3.57
Theberton	150.78	153.41	2.63

PARISH	2023/24	2024/25	Difference
Trimley St Martin	767.41	831.14	63.73
Trimley St Mary	1,268.02	1,279.25	11.23
Tuddenham St Martin	159.80	160.56	0.76
Tunstall	256.12	258.42	2.30
Ubbeston	45.10	46.33	1.23
Ufford	406.54	402.68	-3.86
Walberswick	375.63	374.70	-0.93
Waldringfield	255.28	259.56	4.28
Wangford with Henham	258.05	259.26	1.21
Wenhaston with Mells Hamlet	421.36	417.08	-4.28
Westerfield	248.51	250.33	1.82
Westhall	136.42	133.70	-2.72
Westleton	308.17	308.62	0.45
Wickham Market	829.10	842.92	13.82
Wissett	127.62	126.39	-1.23
Woodbridge	3,389.95	3,378.86	-11.09
Worlingham	1,298.40	1,296.33	-2.07
Wrentham	379.37	385.24	5.87
Yoxford	357.01	358.28	1.27
East Suffolk Council - Total	90,340.92	91,018.73	677.81

NHB RESERVE SUMMARY 2023/24 TO 2027/28

NHB Reserve	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000
NHB Reserve Balance Brought Forward	(5,438)	(3,919)	(3,078)	(1,818)	(682)
NHB In-Year Funding	(447)	(650)	0	0	0
Total NHB Funding in Reserve	(5,885)	(4,569)	(3,078)	(1,818)	(682)
Application of NHB					
Enabling Communities Budget					
55 Councillors * £7.5k	475	412	412	412	0
Ease the Squeeze	0	0	0	0	0
	475	412	412	412	0
Community Partnerships					
8 Partnership * £25k each	295	200	200	200	0
Resourcing & Engagement	0	0	0	0	0
CP Manager	71	74	75	76	0
Communities Officer	25	0	0	25	0
Funding Officer	25	0	0	0	0
Venues for meetings	2	3	3	3	0
Contribution to Suffolk Association Local Councils	10	10	10	10	0
Contribution to Community Action Suffolk	10	10	10	10	0
	439	297	298	324	0
Strategic Community Partnerships - Allocated	298	0	0	0	0
Strategic Community Partnerships - Unallocated	300	300	300	300	0
	598	300	300	300	0
WIFI Implementation on Market Towns	61	37	0	0	0
Economic Development Towns Fund	0	0	0	0	0
Lowestoft Full Fibre project	19	0	0	0	0
UCI World Masters Cycle Cross Championships	0	0	0	0	0
Cultural Development	72	0	0	0	0
First Light Festival	180	170	50	0	0
Safeguarding Officer	13	8	0	0	0
Empty Homes Officer	83	85	50	0	0
Anti Social Behaviour	0	80	0	0	0
Anti Social Behaviour additional requirement	0	2	150	100	50
Communities Help Hub - Adults/Families	0	7	0	0	0
Communities Help Hub - Money	7	83	0	0	0
Place Based initiatives					
Lowestoft Rising	20	10	0	0	0
Total NHB use for the Year	1,966	1,491	1,260	1,136	50
NHB Reserve Balance Carried Forward	(3,919)	(3,078)	(1,818)	(682)	(632)

MTFS Update	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total over MTFS period £'000	Comments
Forecast Budget Gaps February 2023	3,511	6,008	6,405	6,405		
<u>Additional Cost</u>						
Green Light Trust (approval TBC)	110	0	0	0	110	Contribution to the Green Light Trust to assist the completion of its Eco Hemp Construction Centre
Coastal Protection/Drainage	198	9	18	28	253	Repairs & maintenance works for Coastal Protection to catch up with health and safety work programme
Communities - Service Level Agreements to Community, Faith & Social Enterprise Organisations	44	44	44	44	176	Funding increase for Voluntary, Community, Faith and Social Enterprise (VCFSE) organisations integral to delivery of the Council's 'tackling inequalities' ambitions
Contaminated Land	50	0	0	0	50	Environmental Protection investigative works for sites identified
Economic Regeneration	153	747	0	0	900	ESC contribution to the restoration and redevelopment of former Lowestoft Town Hall into a community, heritage and events space to be funded from the business rates equalisations reserve
Anti-Social Behaviour	162	165	168	172	667	Continuation of staffing support to ensure this area is sufficiently supported to meet demand
Estimated Inflation pressure	200	200	200	200	800	Contingency for on-going inflation pressures
Housing Benefit Subsidy Loss	100	100	100	100	400	Pressure from temporary accommodation
HRA Support recharge	204	185	178	137	704	Review of support recharges - Choice Based Lettings revised increasing General Fund use of the service
Insurance Renewal	204	229	246	273	952	Inflationary increase

MTFS Update	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total over MTFS period £'000	Comments
Internal Drainage Board	30	36	47	58	171	Inflationary increase
Lowestoft Temporary Flood Barrier	25	25	25	25	100	Lowestoft Temporary Flood Barrier training and strategy
Miscellaneous Property - East Point Pavilion	116	103	51	14	284	East Point Pavilion revised model of operation
Miscellaneous Property - Survitec	33	0	0	0	33	Planning Fees for decontamination
Property Planned Maintenance	165	0	0	0	165	Works deferred from 2023-24
Training Budget	110	110	110	110	440	Corporate training
Utilities - Electricity	87	85	85	85	342	Increases arising from footway lighting
Establishment Staffing Changes	1,113	1,101	1,306	1,165	4,685	Establishment changes
Annual Pay award assumption	0	0	0	765	765	Roll over establishment base position
Pay Award 2023/24	720	735	750	765	2,970	Additional cost over and above current budget assumption
Pay Award 2024/25	380	390	395	400	1,565	Contingency for 2024/25 pay award to excess current budget assumption
	4,204	4,264	3,723	4,341	16,532	
<u>Additional Income</u>						
Admin Buildings	(148)	(148)	(148)	(148)	(592)	New lease agreement for ESH Annex
Business Rates	(3,600)	(2,000)	(1,000)	(500)	(7,100)	Increasing assumptions on business rate income due to delays with reform
Car Parking Income	(30)	(30)	(30)	(30)	(120)	Income relating to penalty charge notices and off-street parking
Council Tax Income	(100)	(102)	(104)	(632)	(938)	Slight growth in tax base for 2024/25 and Council Tax assumed increase for 2024/25, and roll forward of budget for 2027/28
Council Tax Income - Council Tax Surplus	(140)	0	0	0	(140)	Collection fund surplus
Garden Waste	(27)	(27)	(27)	(27)	(108)	Green waste subscriptions (fee increase compensating for some fall in subscriptions)
Government Grant	(60)	(57)	(54)	(54)	(225)	Revenue Support Grant increase based on September 12 month inflation rate

MTFS Update	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total over MTFS period £'000	Comments
Government Grant	(650)	0	0	0	(650)	Estimated New Homes Bonus for one further year
Industrial Estates	(24)	(24)	(24)	(24)	(96)	Fountains Way Industrial Estate now fully let
Investment Interest Income	(1,441)	(901)	(932)	(776)	(4,050)	Anticipating investment rates to remain high, net of HRA share
Martello Café	(45)	(45)	(45)	(45)	(180)	New lease agreement
Miscellaneous Property	(83)	(83)	(83)	(83)	(332)	Increase in occupancy over the original budget for Business Centres in Leiston and Lowestoft
Planning Application Fees	(376)	(274)	(100)	(100)	(850)	Statutory fee increase and Sanyo/Survitec (HRA contribution in 2024/25 and 2025/26)
Land Charges	(115)	(80)	(80)	(80)	(355)	Following some charges transferred to HMRC, the income lost has been less than original forecast
Purchase Land - Hamilton Road	(79)	(115)	(115)	(115)	(424)	New industrial estate purchased, lease income from the units
Seashore Village Beach Hut Income	(47)	(47)	(47)	(47)	(188)	New beach village in Felixstowe and increased fees and charges for beach huts
	(6,965)	(3,933)	(2,789)	(2,661)	(16,348)	
<u>Savings</u>						
Minimum Revenue Provision (MRP)	(700)	(900)	(1,400)	(1,300)	(4,300)	Reflecting capital programme changes and reduced annuity rate
Ringo admin charge	(125)	(125)	(125)	(125)	(500)	New Ringo Contract (Parking Collection and National Payment Platform)
Corporate Subscriptions	(178)	(178)	(103)	(103)	(562)	Budget savings identified across some service areas - e.g. supplies and services, subscription budgets
	(1,003)	(1,203)	(1,628)	(1,528)	(5,362)	

MTFS Update	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total over MTFS period £'000	Comments
<u>Reduced Income</u>						
Miscellaneous Property	255	255	255	255	1,020	Reduction in property lease income due to administration of Wilko
	255	255	255	255	1,020	
<u>Use of Reserves</u>						
ASB staffing funded from reserves	(160)	(150)	(100)	(50)	(460)	To work towards a reduced funding position for permanent staffing
Business Rates Equalisation	(153)	(747)	0	0	(900)	Restoration and redevelopment of Lowestoft Town Hall into a community, heritage and events space
Transformation Reserve – Environmental (approval TBC)	(110)	0	0	0	(110)	Contribution to the Green Light Trust to assist the completion of its Eco Hemp Construction Centre
Short Life Asset reserve	1,832	537	632	902	3,903	To provide a source of funding for short life asset replacement in the capital programme
Capital Reserve	150	100	0	0	250	Revenue funding towards the capital programme
Transfer of NHB to Reserve	650	0	0	0	650	Transfer of in year allocation to support community initiatives
	2,209	(260)	532	852	3,333	
Net Total of MTFS Updates December 2023	(1,300)	(877)	93	1,259	(825)	
Forecast Budget Gaps December 2023	2,211	5,131	6,498	7,664		

	Original MTFS (Feb-23) 2024/25 £	MTFS Updates (Nov-23) 2024/25 £	Forecast MTFS (Nov-23) 2024/25 £	Original MTFS (Feb-23) 2025/26 £	MTFS Updates (Nov-23) 2025/26 £	Forecast MTFS (Nov-23) 2025/26 £	Original MTFS (Feb-23) 2026/27 £	MTFS Updates (Nov-23) 2026/27 £	Forecast MTFS (Nov-23) 2026/27 £	Original MTFS (Feb-23) 2027/28 £	MTFS Updates (Nov-23) 2027/28 £	Forecast MTFS (Nov-23) 2027/28 £
Net Cost of Service	46,635,700	2,978,000	49,613,700	47,005,500	3,158,000	50,163,500	47,014,700	2,873,000	49,887,700	47,014,700	3,532,000	50,546,700
Non-Cost of Service Expenditure Adjustments												
Direct Revenue Financing (DRF)	905,000		905,000	805,000		805,000	805,000		805,000	805,000		805,000
Revenue provision for the repayment of debt (MRP)	2,754,900	(700,000)	2,054,900	3,397,800	(900,000)	2,497,800	3,922,700	(1,400,000)	2,522,700	3,922,700	(1,300,000)	2,622,700
Recharges to the Housing Revenue Account (HRA)	(1,420,900)	204,000	(1,216,900)	(1,431,100)	185,000	(1,246,100)	(1,461,700)	178,000	(1,283,700)	(1,461,700)	137,000	(1,324,700)
Bad Debt Provision	(9,300)		(9,300)	(9,300)		(9,300)	(2,900)		(2,900)	(2,900)		(2,900)
Other Accounting Adjustments	25,000		25,000	25,000		25,000	25,000		25,000	25,000		25,000
REFCUS Expenditure	(2,721,400)		(2,721,400)	(2,721,400)		(2,721,400)	(2,721,400)		(2,721,400)	(2,721,400)		(2,721,400)
Other Operating Expenditure												
Town & Parish Precepts	7,094,800		7,094,800	7,094,800		7,094,800	7,094,800		7,094,800	7,094,800		7,094,800
Levies	250,500		250,500	250,500		250,500	250,500		250,500	250,500		250,500
Financing and Investment Income and Expenditure												
Interest Payable	282,000		282,000	282,000		282,000	282,000		282,000	282,000		282,000
Interest Receivable	(1,410,000)	(1,740,000)	(3,150,000)	(1,410,000)	(1,040,000)	(2,450,000)	(1,410,000)	(790,000)	(2,200,000)	(1,410,000)	(640,000)	(2,050,000)
HRA Share of Interest Payable & Receivable	160,200	299,000	459,200	200,400	139,000	339,400	200,400	(142,000)	58,400	200,400	(136,000)	64,400
Other Financing Charges	386,300		386,300	386,300		386,300	386,300		386,300	386,300		386,300
Non-Specific Grant Income												
New Homes Bonus	0	(650,000)	(650,000)	0		0	0		0	0		0
Other non-ringfenced grants	0		0	0		0	0		0	0		0
Capital Grants	(400)		(400)	(400)		(400)	(400)		(400)	(400)		(400)
Net Budget Expenditure before Reserve Movements	52,932,400	391,000	53,323,400	53,875,100	1,542,000	55,417,100	54,385,000	719,000	55,104,000	54,385,000	1,593,000	55,978,000
Net Movements on Reserves												
General Fund Balance												
Revenue Earmarked Reserves												
Use of Reserves for Services/Projects/Corporate	(2,536,800)	227,000	(2,309,800)	(1,591,300)	(897,000)	(2,488,300)	(1,176,200)	(100,000)	(1,276,200)	(1,176,200)	(50,000)	(1,226,200)
Use of Covid-19 Reserve	(32,400)		(32,400)	0		0	0		0	0		0
Reserve Balances Not Required	0		0	0		0	0		0	0		0
Use of Reserves to Balance the Budget	0		0	0		0	0		0	0		0
Capital Reserves	92,000	1,982,000	2,074,000	192,000	637,000	829,000	192,000	632,000	824,000	192,000	902,000	1,094,000
Net Budget Expenditure After Reserve Movements	50,455,200	2,600,000	53,055,200	52,475,800	1,282,000	53,757,800	53,400,800	1,251,000	54,651,800	53,400,800	2,445,000	55,845,800

	Original MTFS (Feb-23) 2024/25 £	MTFS Updates (Nov-23) 2024/25 £	Forecast MTFS (Nov-23) 2024/25 £	Original MTFS (Feb-23) 2025/26 £	MTFS Updates (Nov-23) 2025/26 £	Forecast MTFS (Nov-23) 2025/26 £	Original MTFS (Feb-23) 2026/27 £	MTFS Updates (Nov-23) 2026/27 £	Forecast MTFS (Nov-23) 2026/27 £	Original MTFS (Feb-23) 2027/28 £	MTFS Updates (Nov-23) 2027/28 £	Forecast MTFS (Nov-23) 2027/28 £
Financed By:												
Council Tax Income (District Council)	(16,882,000)		(16,882,000)	(17,400,000)		(17,400,000)	(17,922,000)		(17,922,000)	(17,922,000)		(17,922,000)
Council Tax Income (Town & Parish Precepts)	(7,094,800)	(100,000)	(7,194,800)	(7,094,800)	(102,000)	(7,196,800)	(7,094,800)	(104,000)	(7,198,800)	(7,094,800)	(632,000)	(7,726,800)
Council Tax Surplus/Deficit on Collection Fund	0	(140,000)	(140,000)	0		0	0		0	0		0
Business Rates Income (incl. Section 31 Grant)	(20,089,000)	(3,600,000)	(23,689,000)	(19,089,000)	(2,000,000)	(21,089,000)	(19,089,000)	(1,000,000)	(20,089,000)	(19,089,000)	(500,000)	(19,589,000)
Business Rates Surplus/Deficit on Collection Fund	0		0	0		0	0		0	0		0
Business Rates - Enterprise Zone	(490,300)		(490,300)	(490,300)		(490,300)	(490,300)		(490,300)	(490,300)		(490,300)
Lower Tier Services Grant	0		0	0		0	0		0	0		0
Services Grant	(269,000)		(269,000)	(269,000)		(269,000)	(269,000)		(269,000)	(269,000)		(269,000)
Revenue Support Grant	(339,500)	(60,000)	(399,500)	(342,900)	(57,000)	(399,900)	(346,300)	(54,000)	(400,300)	(346,300)	(54,000)	(400,300)
Rural Services Delivery Grant	(260,300)		(260,300)	(262,900)		(262,900)	(265,500)		(265,500)	(265,500)		(265,500)
Funding Guarantee Allocation	(1,519,000)		(1,519,000)	(1,519,000)		(1,519,000)	(1,519,000)		(1,519,000)	(1,519,000)		(1,519,000)
Total Financing	(46,943,900)	(3,900,000)	(50,843,900)	(46,467,900)	(2,159,000)	(48,626,900)	(46,995,900)	(1,158,000)	(48,153,900)	(46,995,900)	(1,186,000)	(48,181,900)
Budget Shortfall / (Surplus)	3,511,300	(1,300,000)	2,211,300	6,007,900	(877,000)	5,130,900	6,404,900	93,000	6,497,900	6,404,900	1,259,000	7,663,900