

Financial Strategy

Outline

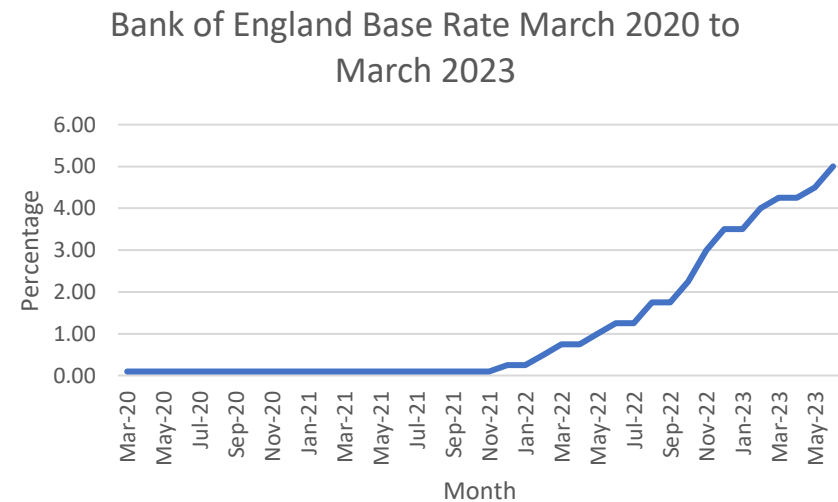
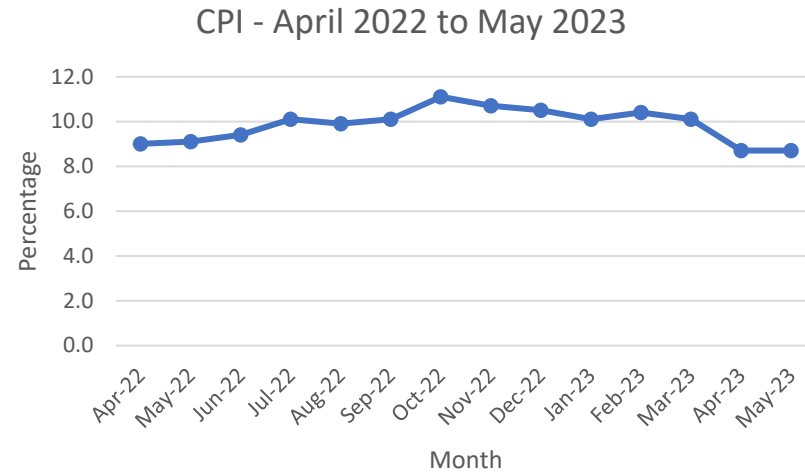
- Strategy
- Economic Outlook
- Current 5 year position
- Approach

Strategy

- Broadly as for 2023/24
- Principles
 - **Delivering Corporate Plan**
 - Focus on supporting the most vulnerable
 - Sustainable finances
 - Appropriate level of reserves
 - Generating local tax revenue
 - Fees & charges
 - Collective responsibility to manage the finances
 - Accessible & transparent finances
 - Deliver best value

Economic Outlook

- Not great!



Current Five Year Position

	2024/25	2025/26	2026/27	2027/28	2028/29
	£K	£K	£K	£K	£K
Government Grant	5,597	6,244	6,306	6,369	6,433
Council Tax	3,789	3,937	4,090	4,250	4,416
Reversal of 2022/23 use of reserves	-496	0	0	0	0
Use of smoothing Reserves	1,700	0	0	0	0
Total Additional Funding	10,590	10,181	10,396	10,619	10,848
Investment	1,471	1,470	1,154	0	
Demography	2,493	2,493	2,493	2,493	2,493
Inflation	10,939	7265	8,688	8,800	8,914
Capital Financing	80	190	224	187	0
Other Pressures	2,037	66	637	0	0
Total Pressures	17,020	11,484	13,196	11,480	11,407
Overall Gap	-6,430	-1,303	-2,800	-861	- 559

A Possible Way to Focus

Savings Framework	Possible Transformation Themes
<ul style="list-style-type: none">• Demand Management & Early Intervention• Generating Income• Service Review & Redesign• Wider Community• Digital Strategy• Corporate Asset Management• Workforce• Procurement	<ul style="list-style-type: none">• Target operating model• Strengthening communities• Service transformation• Digital innovation• Economic growth

These approaches could work for single year, BAU savings and/or contribute to a wider transformation programme

The approaches would have a medium term transformational focus

Draft Capital Strategy 2024/25 and Initial Capital Programme Proposals 2024/25 to 2028/29

Key Headlines

- The report sets out the Council's proposed Draft Capital Strategy for 2024/25 at Appendix 1
- The Capital Strategy looks at the longer-term view of the Council's Capital investment requirements and outlines the various Council Strategies which identify the priority areas for capital investment and the external factors that result in the need to incur capital expenditure.
- Available capital resources are difficult to predict over a long period especially given the uncertainty in the current economic climate.
- In the final settlement for 2023/24 Welsh Government confirmed that the general capital funding will remain at the same level for 2024/25 with no further projections beyond this point. (£6.997M, being made up of £3.545M grant and £3.452M of supported borrowing)

Five Year Capital Programme

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Learning and Skills	7,811	1,000	2,750	3,435	1,000
Social Services	1,067	725	100	100	100
Environment	3,685	2,260	2,260	2,260	2,260
Housing	40,755	35,257	23,746	22,034	25,204
Place	2,440	1,605	1,605	1,605	1,450
Corporate Resources	766	1,419	1,919	1,819	1,819
City Deal	1,835	2,594	0	0	0
Pipeline Schemes	22,370	42,138	20,177	3,000	0
Total	80,729	86,998	52,557	34,253	31,833

Funding of Capital Programme

Funding	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
General Capital Grant	3,545	2,378	2,378	2,378	2,378
General Fund (GF) Reserves/Revenue	1,962	1,438	1,398	1,300	800
HRA Revenue/Reserves	7,107	6,718	6,805	7,631	8,531
Capital Receipts	368	1,280	155	155	0
Grants	26,448	35,205	21,437	4,770	2,770
S106	763	600	2,350	3,035	0
Total	40,193	47,619	34,523	19,269	14,479
Borrowing Requirement					
Supported Borrowing	3,452	3,451	3,451	3,451	3,451
Unsupported Borrowing GF	9,762	12,749	3,012	2,500	0
Unsupported Borrowing HRA	27,322	23,179	11,571	9,033	13,903
Total Borrowing Requirement	40,536	39,379	18,034	14,984	17,354
Total Capital Programme	80,729	86,998	52,557	34,253	31,833

Next Steps

- Next steps have changes slightly since the report went to Cabinet in July
- New capital bids will be invited for return in October 2023
- Capital bids to be evaluated by Strategic Insight Board in November 2023
- Revised capital proposals to include bids will be brought to Cabinet and Scrutiny in January 2024