Appendix A

Interim Medium Term Financial Strategy

2023 – 2025

1.0 BACKGROUND

1.1 The Medium Term Financial Strategy (MTFS) provides a financial framework for the council's strategic planning and decision making. The MTFS incorporates key factors such as the changes in Government funding, our spending plans and the level of savings and increased income that are likely to be needed. By anticipating financial pressures now, we can plan ahead early to meet the significant challenges in a way that ensures financial resources are targeted to the council's highest priorities and have the minimum impact on services.

1.2 The MTFS was last approved in January 2021 and covered the period 2021 to 2026. At the time of approval, there was much uncertainty around the local government funding system, the overall quantum of funding available to local government and the economic impacts from the exit of the European Union and the covid pandemic. This uncertainty was built upon a decade of austerity cuts to local government funding and the delays to funding reform originally earmarked for delivery some years ago.

1.3 In the period since, the Spending Review of October 2021 set a funding envelope for local government from April 2022 to March 2025. However, no progress has been made on the delivery of funding reform and the local government settlement continues to remain on a one year, rollover footing. In addition, we are now seeing the economic impacts of the issues in the previous paragraph being accentuated by the war in Ukraine and adding to the inflationary pressures and economic consequences that the country now faces.

1.4 Despite this fog of uncertainty, it is imperative that the Council understands the potential financial scenarios it may face so that it can take sound financial decisions. This interim strategy provides members with an update on current issues, the most likely funding scenarios the Council will face in the short term and describes some of the actions being taken to address the projected shortfall in funding. A full MTFS update will be produced later in the year.

2.0 LOCAL GOVERNMENT FINANCE SETTLEMENT 2023/24

2.1 The spending review in October 2021 set the Department Expenditure Limits (DEL) for the three years between April 2022 and March 2025. In terms of funding for local government, whilst there was significant additional funding in the first year, there was no additional funding in the second and third years outside of social care and some smaller grant funding pots. Therefore, the overall quantum of funding for local government, aside from social care, remains cash flat for the next two financial years and, given the current inflationary pressures, results in a real term cut in funding. Whilst it is possible that the Chancellor could provide further funding to ease the financial pressure in local government, this seems unlikely and, as a result, our expectations for funding in 2023/24 remain at the current levels.

2.2 It is also now anticipated that there will be no change to the funding mechanisms for local government in 2023/24 and, as a result, the finance settlement is likely to once again be a one year, rollover settlement. Whilst promises were made to engage with local government over funding reform at the time of the current settlement in December 2021, disappointingly, no such engagement has taken place. It is the view of most finance professionals in the sector that it is now too late in the cycle for the Government to consider, consult, design and rollout any funding reform in time for the 2023/24 settlement which is expected in December 2022. Whilst there is a possibility that the Government may amend some of the data that supports the current funding mechanisms, given the age of the current data, even this could generate significant distributional change, creating winners and losers that may be unprotected from significant change, which means that even this is unlikely at this late juncture.

2.3 Our central case for the 2023/24 finance settlement is therefore based on a roll forward of the status quo and providing, once again, for a one year only settlement. The details of this likely scenario are described in the following paragraphs.

2.4 <u>Settlement Funding Assessment (SFA)</u>
The SFA is defined as the sum of a Council's Revenue Support Grant (RSG) and its Baseline Funding Level (BFL). It was highlighted at paragraph 2.1 that it is expected that there will be no additional funding available to local government and it is highly unlikely that there will be any change to distribution mechanisms. This means that the Fair Funding Review (FFR), first consulted on in December 2017, will not be progressed and will not impact on the 23/24 settlement and the SFA will be distributed under the current mechanism.

As a result of this the RSG will remain at its current level of £24k.

With regards to the BFL, this is also dependent on how much the Government decide to raise the business rates multiplier that effects the rates paid by business each year. Normally this is based on Consumer Price Inflation (CPI) in September each year but the Government has decided not to implement this in each of the last two years in order to support business. Given that inflation is likely to be in excess of 7.5% by September, we have assumed that the multiplier will again be frozen and, as a result, the BFL will be remain at £1.846m.

The retained rates scheme provides for a responsibility on Government to compensate local government for decisions that alter the financial benefit of the scheme. Therefore, it is assumed that a s31 grant for approximately £180k will be due in compensation to the council for this decision.

2.5 <u>New Homes Bonus (NHB)</u>
The Government consulted on options for a replacement scheme for NHB in Spring 2021. No outcome of this consultation has been issued by the Government, only commentary restating its desire to work with local government on a replacement scheme. Given this lack of progress and the rollover nature of the projected 23/24 settlement, it is expected that NHB will continue for one more year.

As with the previous three years, it is likely that the Government will provide reward for one year only rather than the four years under the existing scheme. Based on current growth levels in the Borough, the reward for 2023/24 is likely to be similar to the current year and provide for around £667k worth of funding.

However, the current settlement provides for the one off year in 2022/23 and the fourth and final year of the 2019/20 reward year. Together they provide a total reward of

£1.63m. The likely settlement for 2023/24 therefore see a reduction in NHB funding of nearly £1m.

As the Government are reducing the reward available to local government under this scenario, it is anticipated that around £294m of funding will be released and should be distributed back to local government in line with proportionate BFL levels. If this was the case, a further £44k of NHB funding would come to Tewkesbury in 2023/24. This position has been included within our projection for 2023/24 but it cannot be ruled out that the Government may decide to redirect this funding through other funding streams and Tewkesbury may not see the benefit.

2.6 Other grants

Whilst the Services Grant (SG) was introduced for 2022/23 and made clear at the time it was for one year only, it is likely that it will be extended on the same basis into 2023/24 and is therefore worth £127k to Tewkesbury. This grant effectively covers the cost of the additional national insurance contributions for the Council as an employer effective from April 2022.

The Lower Tier Services Grant (LTSG) was introduced in the previous year and similar to the SG was put forward as a one year only grant. Again, it is expected that it will be rolled forward into 2023/24 and for Tewkesbury will effectively provide a cash floor so that our Core Spending Power (CSP) does not decrease. The LTSG provides the balancing figure within the Government's calculation of CSP which includes the funding listed in the previous paragraphs but also anticipated council tax income.

It is expected that the Government will once again set council tax referendum limits as per the current year which for Districts was the higher of £5 or 2% on a band D charge. It is also expected that the Government will assume that local government will increase council tax by the maximum permissible and that the tax base of the authority will grow at an average of the last five years. As a result, the Government will expect Tewkesbury to generate an additional £300k of council tax income in 2023/24 and thus will reduce its own grant funding accordingly.

Based on the assumption of a 0% floor on CSP, it is expected that Tewkesbury's LTSG will only grow to £1.75m an increase of £440k and will not compensate in full for the NHB losses.

2.7 Retained Business Rates

As with other areas of local government funding, it is believed that it is now too late to deliver a business rates reset in time for 2023/24. The reset is an integral part of the current retention scheme and was originally scheduled to be delivered in 2020/21. When it is delivered, it will take the growth generated by local government as a whole since the inception of the retention scheme and will redistribute based on the needs assessment within the BFL. When this does happen, Tewkesbury is likely to lose many hundreds of thousands of pounds of rates retention.

Should the scheme remain as is and without a reset, it is likely that Tewkesbury's retention levels will continue to grow and a total retention level of £1.25m has been assumed for 2023/24.

2.8 The following table, collated from the information of the previous paragraphs, produces the forecast of funding available to Tewkesbury in 2023/24 under current assumptions.

	2021-22	2022-23	2023-24
	£m	£m	£m
Settlement Funding Assessment	1.85	1.85	1.85
Revenue Support Grant	0.02	0.02	0.02
Compensation for business rates multiplier	0.10	0.15	0.34
Council Tax Requirement	4.58	4.81	5.10
New Homes Bonus	2.51	1.63	0.71
Rural Services Delivery Grant	0.01	0.01	0.01
Lower Tier Services Grant	0.93	1.31	1.75
2022/23 Services Grant	0.00	0.13	0.13
Core Spending Power	**10.00**	**9.91**	**9.91**
Business rates retention	0.34	1.03	1.25
Total resources	**10.34**	**10.94**	**11.16**

2.9 As can be seen form the table, the core spending power of the authority remains cash flat at £9.91m with the increases in funding from council tax, compensation for under indexing the multiplier and LTSG monies offsetting the reductions in funding within NHB. Given the forecasts for inflation over the current year, this results in a significant real terms cut in spending power between years.

The small increase in business rates retention means that the total level of funding resources available to the council will be £11.16m in 23/24.

The level of surplus or deficit from the collection funds for council tax and business rates are ignored for the purpose of this report.

3.0 LOCAL GOVERNMENT FINANCE SETTLEMENT 2024/25

3.1 For the following financial year, 2024/25, we have modelled two options for the settlement:

1. Another one year, roll over settlement
2. The roll out of funding reform

Of course, given the current levels of uncertainty it is possible that other options could be considered by the Government. There is also scope within the two options put forward in the following paragraphs for there to be changes to the assumptions made. Nevertheless, at this stage these are the two most likely options and the modelling for the roll out of funding reform is based on the direction of travel before it was suspended.

3.2 Option 1 – one year, roll over settlement

Given that 2024/25 will be the final year of the three year Spending Review period and is most likely to include a general election, the Government could decide to once again pause funding reform. Funding will be rolled forward on the same basis as described in section 2 of this report and the following table highlights this position.

	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Settlement Funding Assessment	1.85	1.85	1.85	1.90
Revenue Support Grant	0.02	0.02	0.02	0.02
Compensation for business rates multiplier	0.10	0.15	0.34	0.34
Council Tax Requirement	4.58	4.81	5.10	5.40
New Homes Bonus	2.51	1.63	0.71	0.71
Rural Services Delivery Grant	0.01	0.01	0.01	0.01
Lower Tier Services Grant	0.93	1.31	1.75	1.40
2022/23 Services Grant	0.00	0.13	0.13	0.13
Core Spending Power	**10.00**	**9.91**	**9.91**	**9.91**
Business rates retention	0.34	1.03	1.25	1.50
Total resources	**10.34**	**10.94**	**11.16**	**11.41**

3.3 The table illustrates that the CSP of the authority remains at £9.91m after the following movements:

- The BFL that forms the major element of the Settlement Funding Assessment increases in line with an inflation projection of circa 3%, the government deciding to pass this increase onto businesses rather than again freezing the multiplier
- Council tax income rises by a further £300k based on the assumption of a £5 increase at band D and growth in the tax base
- LTSG falls to £1.4m as a result of the increases in the previous two bullet points

The total resources of the authority increases by £250k to £11.41m as a result of growth to business rates retention for the year.

3.4 <u>Option 2 – roll out of funding reform</u>
The following scenario is based on our current understanding of funding streams and the proposals and consultations put forward by previous ministers. Given the age of those proposals, they could be subject to change.

3.5 <u>Settlement Funding Assessment (SFA)</u>
Within this area of funding there are some quite big movements under funding reform. The roll out of the Fair Funding Review (FFR), which could dramatically change the distributional methodology for SFA, would finally mean that the 'temporary' SG and LTSG would come to an end and the funding would move from these separate grants into SFA. For Tewkesbury, under our projection for 2023/24, this means that £127k and £1.75m respectively could be lost from these separate grants.

The direction of travel of the FFR in 2019 seemed to be providing increased funding for Metropolitan and County Councils with Inner London and Districts, to a lesser extent, being worse off. Using the 2019 model as the basis to project the position for 24/25 suggests that Tewkesbury would see its RSG increase by £370k to £394k. Whilst the distributional mechanism in the FFR is projected to be worse for Tewkesbury, the extra money coming in from the separate grants serves to boost the actual RSG awarded. Nonetheless, there is a significant reduction in funding for Tewkesbury of circa £1.5m.

The BFL element of the SFA is projected to once again increase by inflation, currently assumed to be 3%.

3.6 <u>Business rates retention reset</u>
As previously highlighted, the planned business rates retention reset could finally be instigated in 2024/25 with growth built up from 2013/14 being redistributed around local government.

If the reset came into effect in 2024/25 it is assumed that:

- The reset would be based on the 22/23 outturn position - all growth at this point would be subject to redistribution (circa £1m for TBC)
- Redistribution of the surplus would be based on the proportionate share of the national baseline funding level in 23/24, which is effectively an estimate of need

As a result of these assumptions, it is estimated that Tewkesbury would receive a surplus distribution of £306k to offset its £1m loss from reset. The actual level of retention for 24/25 would also include any growth enjoyed in 23/24 and that forecast for 24/25.

In addition to this, the previous compensation for under-indexing the business rates multiplier is removed as a separate line of grant funding and absorbed into the retention position.

Overall, it is projected that business rates retention drops from £1.25m to £810k.

3.7 <u>New Homes Bonus (NHB)</u>
It is not known what position the Government will adopt in relation to a replacement NHB scheme given the lack of consultation and engagement over the last twelve months. There could be a replacement scheme but without knowing the quantum of funding to be set aside for it, which is unlikely to be close to the current £900m, or the distribution methodology it is very difficult to project potential levels of funding specifically for Tewkesbury.

Whilst growth in the Borough is likely to continue at significant levels into the future, some of the options put forward for rewarding growth in the Spring 2021 consultation would not have been beneficial for Tewkesbury. One option looked at targets which exceeded the average recent growth in the area which, given our recent history of high growth, may mean that generating reward from the scheme may be difficult. Conversely, options were put forward that could put Tewkesbury in a healthy position to benefit from growth.

Given this uncertainty, the projection for 2024/25 removes NHB or a replacement scheme and simply assumes that current funding levels are redistributed to local government in line with proportionate shares of the BFL i.e. needs levels. As a result, the projection assumes a redistributed NHB surplus of £111k for Tewkesbury in 2024/25.

3.8 The accumulation of these funding changes, plus the assumed increase in council tax of £5 for a Band D property, is highlighted in the following table:

	2022-23	2023-24	2024-25
	£m	£m	£m
Settlement Funding Assessment	1.85	1.85	1.92
Revenue Support Grant	0.02	0.02	0.39
Compensation for business rates multiplier	0.15	0.34	0.00
Council Tax Requirement	4.81	5.10	5.40
New Homes Bonus	1.63	0.71	0.11
Rural Services Delivery Grant	0.01	0.01	0.01
Lower Tier Services Grant	1.31	1.75	0.00
2022/23 Services Grant	0.13	0.13	0.00
Core Spending Power	**9.91**	**9.91**	**7.84**
Business rates retention	1.03	1.25	0.81
Total resources	**10.94**	**11.16**	**8.64**

3.9 As can be seen in the table, there is a dramatic reduction in the Council's CSP (£2.07m) and therefore its overall resources (£2.52m). This is a reduction of 22.5% and could not be absorbed by the Council in one hit. It would be expected that the Government would put in place a damping mechanism to provide transitional support for losers under funding reform (and conversely reduce funding increases for winners). Given the lack of progress on funding reform, it is no surprise that there is no information from Government on what damping arrangements are likely to be. A number of questions need to be answered including:

- How much spending power will the Government allow individual authorities to lose?
- How long will damping arrangements last for?
- What is included and excluded from damping?

This last question is quite significant. The Government have already been explicit in that the Services Grant will be excluded but less clear is the 'one off' Lower Tier Services Grant. If this were to be excluded, it could mean that we would not receive damping support for £1.75m of lost grant funding. Conversely, will the Government include the impact of the business rates reset within damping arrangements? This could be very beneficial to District councils. The following table provides an example of what a damping scheme may look like based on the assumptions of a 5% maximum loss each year over five years.

3.10 Transitional arrangements with support provided for LTSG but not business rates retention

	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
Core Spending Power	9.79	9.78	7.84	8.19	8.37
Reduction in CSP (£)			-1.94		
Reduction in CSP (%)			-19.87%		
Permitted reduction			-5%	-10%	-15%
Permitted CSP reduction			-0.49	-0.98	-1.47
Damping			1.45	0.96	0.48
Total CSP	**9.79**	**9.78**	**9.29**	**9.16**	**8.84**
Business rates retention	1.03	1.25	0.81	0.83	0.97
Services grant	0.13	0.13	0.00	0.00	0.00
Total resources	**10.94**	**11.16**	**10.10**	**9.99**	**9.81**
Change in resources		0.22	-1.06	-0.11	-0.18

*Service grant separated out form spending power as not subject to damping

In this scenario, the Council would receive £1.45m of damping grant in 24/25 with that reducing by around £0.5m each year thereafter. For 24/25, this would mean overall resources would total £10.1m which would be a net reduction of £1.06m.

If LTSG was excluded from the transitional support calculations, it would mean that the Council would not receive any damping grant whatsoever as the losses in funding streams subject to transitional support would not be sufficient. In this scenario, overall resources would reduce by £2.52m in 2024/25 but would recover an average of £300k per annum as the base level is reached straight away and no reductions to damping grant are necessary.

4.0 BEYOND 2024/25

4.1 Looking forward to 2025/26 and beyond it is very difficult to project funding levels. If no funding reform has occurred in the previous years, there would be an expectation that reform would be brought in in 2025/26. Would reform follow the path originally set out some 10 years earlier or could it be significantly different? Could it also include reform of council tax as well as reform to the taxation of busineses?

4.2 There will also be a new Spending Review concluded in late 2024 that will set the funding envelope for public services. What will public finances look like by this time given the current economic conditions and what period will the new Spending Review cover? Will that then translate into a multi-year deal for local government to provide some certainty?

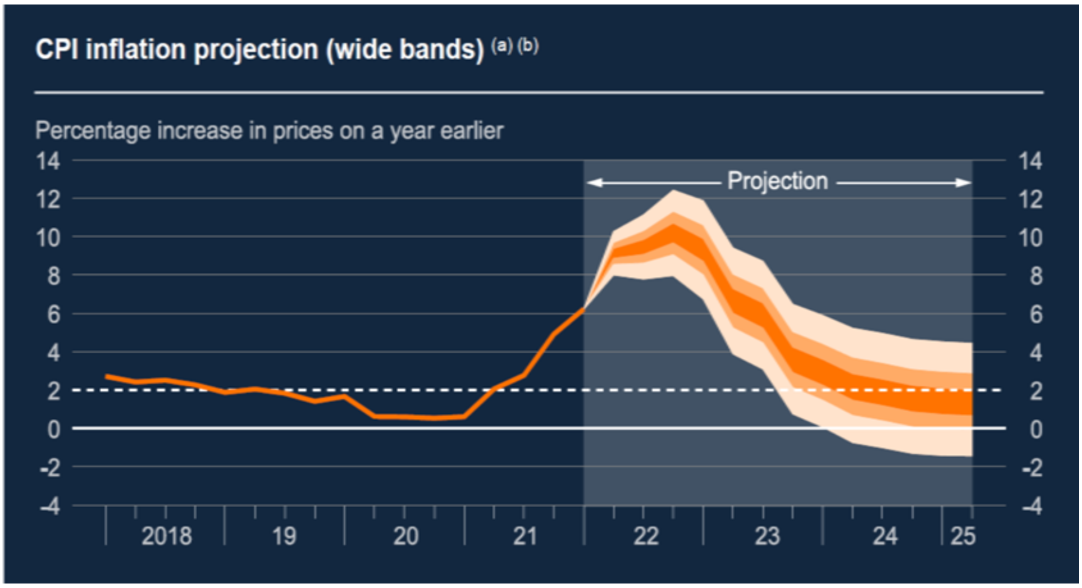
4.3 There will also be a general election before the 2025/26 financial settlement, possibly even earlier. It is not known what the outcome of the election will be and what the effect on local government will be.

4.4 Given this increased uncertainty, it is extremely difficult to make any longer term financial projections at this point.

5.0 BASE BUDGET & GROWTH

5.1 To support the development of the interim MTFS, a simplistic, inflation led approach to the base budget has been modelled. Over the last decade, inflation has not been a major factor in our MTFS projections with the average rate of inflation running below the government’s target of 2%. The increase in prices for goods and services have been absorbed within our budgets whilst employee inflation was, for a large part of the decade, either frozen or contained at 1%.

5.2 That position has changed dramatically in 2022 with near term inflation set to rise above 10% according to the latest Bank of England projection. The following graph highlights this and the longer term return to target levels.



5.3 The inflation projection for the current year and 2023 will have a significant impact on the cost of providing services for the Council. Using a subjective analysis level, the headline rates of inflation as per the Office of Budget Responsibility from April 2022 have been applied to determine the potential net budget position in the coming years.

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	£m	£m	£m	£m	£m	£m
Employees	11.35	12.26	12.55	12.76	13.01	13.27
Premises	0.71	0.76	0.78	0.79	0.81	0.83
Transport	0.06	0.07	0.07	0.07	0.07	0.07
Supplies & Services	2.31	2.50	2.55	2.60	2.65	2.70
Third party payments	6.63	7.16	7.33	7.45	7.60	7.75
Interest payments	0.47	0.50	0.52	0.52	0.54	0.55
Housing Benefits	9.00	9.72	9.95	10.12	10.31	10.52
Income	-21.12	-22.81	-23.35	-23.74	-24.20	-24.69
MRP	0.91	0.93	0.96	0.98	1.01	1.03
Reserves	0.63	0.65	0.68	0.70	0.73	0.75
Net budget	**10.94**	**11.74**	**12.03**	**12.26**	**12.51**	**12.78**
Increase		0.80	0.29	0.22	0.26	0.27

5.4 Whilst this is a simplistic projection and further work will be done in the coming months to apply inflation on a line by line basis in order to refine estimates, it is clear that inflation will have a significant impact, particularly over the next two years. Increased net costs of £800k and £290k on current costs are currently projected.

5.5 In addition to the inflationary pressures on existing costs, it is expected that further growth requests will come forward. Ongoing growth of £440k was included within the current year budget but this was set against request levels totaling £1.6m. Given this, it is expected that circa £1m in growth will be put forward to meet demand for 2024/25. As per the current year, careful consideration will need to be given to which growth requests to support, which can be funded by alternative means and which cannot be supported. It should be noted that some of the growth requests are likely to be unavoidable such as the additional capacity necessary to continue providing waste and recycling services to the growing Borough. The cost of this alone, when also factoring in additional vehicle replacement, is around £325k per annum.

5.6 For the purposes of the interim MTFS model, it has been assumed that £0.5m will need to be supported in each of the next two years.

6.0 FINANCIAL PROJECTION 2023-2025

6.1 Bringing all of the information in the previous sections together, we can produce the financial projection for the next two years. There are two projections highlighted below based on the different scenario's for 2024/25.

6.2 Projection 23-25 (double rollover)

		2022-23	2023-24	2024-25
		£m	£m	£m
Expenditure				
	Base budget	10.94	11.74	12.03
	Growth	0.00	0.50	1.00
Total expenditure		**10.94**	**12.24**	**13.03**
Funding				
	CSP	9.91	9.91	9.91
	Retained rates	1.03	1.25	1.50
Total funding		**10.94**	**11.16**	**11.41**
Net deficit		**0.00**	**1.08**	**1.62**

6.3 Projection 23-25 (rollover followed by funding reform with best case transitional support)

		2022-23	2023-24	2024-25
		£m	£m	£m
Expenditure				
	Base budget	10.94	11.74	12.03
	Growth	0.00	0.50	1.00
Total expenditure		**10.94**	**12.24**	**13.03**
Funding				
	CSP	9.91	9.91	7.84
	Retained rates	1.03	1.25	0.81
	Transitional support	0.00	0.00	1.45
Total funding		**10.94**	**11.16**	**10.10**
Net deficit		**0.00**	**1.08**	**2.94**

6.4 As can be seen in the tables above, the current projection for the budget deficit in 2023/24 is £1.08m in both scenarios made up of a £1.3m increase in cost offset by a small increase in funding from business rates.

For 2024/25 the cumulative deficit rises to a figure of between £1.62m and £2.94m depending on the funding scenario for the year. Cost increases of a further £0.79m accounts for part of the increased deficit with the rest based on the assumption around funding reform.

7.0 CLOSING THE GAP

7.1 As highlighted in the previous section, a funding deficit of anywhere up to £2.94m could be envisaged for Tewkesbury in the next two years. This is of course speculation, given the absence of a defined position from the government, and could be very different in reality. The Council though needs to be able to plan for the possible worst case scenario and know that actions are in place that would alleviate a deficit of this magnitude should it arrive.

7.2 Many actions are already taking place corporately and within individual services. To provide assurance to decision makers that these actions are on track to deliver the financial benefits envisaged, it is important to coordinate, monitor and report the progress as a whole. In addition, the programme should not remain static and new ideas for cost saving or income generation should be continuously sought to supplement the programme to offset any slippage or to further bridge a widening gap. A programme will be drawn together by the s151 officer and reported on an ongoing basis to Transform Working Group and then via further formal MTFS and budget updates to the wider membership.

7.3 The following bullet points provide an overview of current actions which will form the basis of a deficit elimination programme.

- Detailed review of base budget assumptions to refine medium term projections
- Review of salary award assumption to provide a realistic assessment of an affordable medium term salary bill
- Pension fund triennial valuation, expected in Autumn 2022
- Employment of a Business Rates Intelligence Officer to provide detailed future forecasting on business rates growth
- Delivery of the car park solar canopy to reduce energy costs by over £45,000 per annum
- Rationalisation and reduction of some supplies and services e.g. photocopiers
- Review high areas of expenditure e.g. computer licences
- Cost the beneficial impact over the medium term of the Business Transformation Team’s programme of activity
- Explore the potential for greater self service in Revenues & Benefits
- Exploit trading and cross boundary working opportunities provided by Ubico
- Cost neutrality for the trade waste service
- Delivery of the in-cab technology project for our waste and recycling vehicles
- Develop a business case for the replacement of the current leased depot facility
- Develop plans for the redevelopment of Tewkesbury Town Centre which incorporates a net financial return to the authority
- Seek to reduce the Council’s borrowing requirement
- Lobby the government to increase planning fees (last increased in April 2017)
- Increase the rental income from our commercial portfolio by including the lease of unit 5 at Vaughn Park, Tipton in the ongoing rental stream
- Include the business rates windfall from Gloucestershire Pool in the base budget

7.4 It is estimated that if all of these actions were delivered, a net benefit of over £3m could be realized. Beyond this programme and any additions of a similar nature, the Council will need to look at its overall staffing structure and the variety and level of services it provides to its communities.

7.5 To support the delivery of this programme, the Council is fortunate to have a healthy level of reserves. A number of reserves have been established for the direct delivery of these projects. In addition, the Council has an uncommitted MTFS reserve of £2.6m which is hoped to be increased to over £3m once the 2021/22 accounts are closed. This reserve can be used to further support the changes to be delivered by this programme and, if necessary, be used for temporary support to the base budget.

8.0 CONCLUSION AND NEXT STEPS

8.1 The previous sections of this interim strategy provide officers current thoughts on the most likely position for the Council's budget in the short to medium term. It is hoped that in the coming months, information will be provided by Government which will allow financial projections to be made with more certainty.

8.2 A full MTFS will be prepared for approval by Council this Winter utilising the information made available by the government at that time and making assumptions where there are gaps in the information.

9.0 GLOSSARY OF ABBREVIATIONS

9.1

MTFS	Medium Term Financial Strategy
SR	Spending Review
DEL	Department Expenditure Limit
SFA	Settlement Funding Assessment
RSG	Revenue Support Grant
BFL	Baseline Funding Level
FFR	Fair Funding Review
CPI	Consumer Price Index
NHB	New Homes Bonus
SG	Services Grant
LTSG	Lower Tier Services Grant
CSP	Core Spending Power