

# Member Report

## Budget Proposals - 2024/25



**Report to: Cabinet**

**Report from: Managing Director**

**Portfolio: Resources**

**Report Date: 06 February 2024**

**Decision Type: Key – Budget**

**Forward Plan Reference: RD0121**

**Council Priority: All**

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## HEADLINE POSITION

### 1.0 Summary of report

**1.1** This report sets out Cabinet's budget proposals for the forthcoming 2024/25 financial year along with an indicative medium term financial plan through to 2028/29, for the Borough Council to then consider for formal approval.

**1.2** The draft budget proposals published by Cabinet in December have been reviewed in light of the subsequent provisional local government finance settlement provided by Government, and the feedback received from key stakeholders during the consultation period. This has helped to inform these final proposals.

**1.3** Due to funding not keeping pace with inflation and service demands, the Council's financial position continues to be extremely challenging. Subsequent to the budget proposals that have been consulted upon, there have been unexpected adjustments in the provisional finance settlement and a higher than expected increase to the national living wage. This has added to the challenge, resulting in a £2.2 million deficit on the revenue budget proposals within this report. The Council's reserves levels have been significantly depleted in the last two years, meaning further savings will need to be identified subsequent to the approval of these proposals, to close the budget deficit, preserve reserve levels in the short term and seek to replenish them if the financial outlook improves.

### 2.0 Recommendation

**2.1** Cabinet recommends to the Borough Council approval of the Medium-Term Financial Strategy, which sets a balanced budget for the 2024/25 financial year and an indicative medium-term position through to 2028/29, consisting of the following main components:

- A Medium-Term Financial Strategy, incorporating the Driving Change efficiencies programme (Appendix 3), and including:
  - A 2.99% council tax increase for 2024/25 (Appendix 6).
  - A 2.00% adult social care precept increase for 2024/25 (Appendix 6).
  - A proposal to implement from 01 April 2025 additional premiums for

council tax on long-term empty properties and periodically occupied dwellings (as per paragraph 4.41)

- For Business Rates
  - the National Non-Domestic Rates Return (NNDR1) 2024/25 (£41.165 million) as the business rates base position for the Borough, with the Council's share of £20.711 million factored into the Medium-Term Financial Strategy (Appendix 8b).
  - the forecast surplus position on the Collection Fund for 2023/24 of £0.124 million. The Council's proportionate share is £0.061 million (Appendix 8c).
- The setting of a General Reserve position of £6.626 million (Appendix 4)
- The required council tax amounts and revenue allocations, applicable for Redcar & Cleveland Council (Appendix 6).
- An affordable medium term Capital Investment Programme, including a revised 2023/24 position (Appendix 9).
- A Treasury Management Strategy that sets the authorised limit for external debt for 2024/25 at £299.575 million (Appendix 10), as supported by the Governance Committee.
- A revised Minimum Revenue Provision (MRP) policy for 2023/24 and the policy for 2024/25 (Appendix 10), as supported by the Governance Committee.
- A Policy for flexible use of capital receipts for 2024/25 (Appendix 11).

## **DETAILED PROPOSALS**

### **3.0 What are the objectives of the report and how do they link to the Council's priorities.**

3.1 The Medium-Term Financial Strategy and budget proposals for 2024/25 are integral to the Council's ability to deliver the entirety of the Corporate Plan, ensuring the financial resources available to the Council come together in a robust plan to fund the agreed priorities.

3.2 Well planned revenue, capital and treasury activities are also essential in ensuring the medium-term financial strategy of the Council is robust and promotes financial resilience and sustainability.

### **4.0 What options have been considered.**

#### **4.1 Approach and Key Principles**

It is a statutory requirement for the Council to set a balanced budget on an annual basis and, by doing so, the authority ensures that it is able to meet its targets and commitments.

4.2 The Medium-Term Financial Strategy, and its supporting documents, may be approved only by the Borough Council, the legislation being clear that the decision cannot in any way be delegated. However, in line with the Council's constitution and local government legislation, it is for Cabinet to propose a Medium-Term Financial Strategy for the Borough Council to then consider for formal approval.

4.3 The current approved medium term financial strategy (MTFS) runs to the end of the 2027/28 financial year. In line with best practice, this has been extended through to 2028/29 to maintain a 5-year financial planning horizon.

4.4 One of the key principles of the MTFS is a focus on financial resilience and sustainability, seeking to fund permanent commitments on a permanent basis to promote sustainability, and to preserve reserve levels where possible to maintain resilience.

4.5 Due to funding not keeping pace with inflation and service demands, this continues to be extremely challenging, with a substantial refresh of the MTFS being required in order to address the financial challenges facing the council.

#### 4.6 Executive Summary

Inflation has risen to historically high levels due to the inflationary wage growth in the economy and supply chains struggling to keep pace with global demand following the pandemic, added to by the conflict in Ukraine causing further shortages in key commodities.

4.7 When the Government undertook their Comprehensive Spending Review in October 2021, which included an assessment of the funding requirements of local government for the following three years, the rate of CPI was forecast to peak at 4% in 2022. CPI actually peaked at 11.1% in October 2022, the highest it has been for 40 years, and has stayed higher for longer than anticipated.

4.8 Furthermore the National Living Wage level for 2024/25 has been confirmed at £11.44 per hour, a 9.8% increase. The high levels of inflation have caused some significant pressures on the Council's budgets, with significant cost increases for energy, fuel, labour, provider fees, construction, and other general costs.

4.9 In response to growing inflation, the Bank of England has increased base interest rates, which is feeding into higher interest rates for borrowing, which the Council needs to use to fund the Capital Investment Programme. This has increased the capital financing costs of the Council.

4.10 Alongside the impact of inflation there is also increasing demand for some council services, influenced by the aftereffects of the pandemic and cost of living pressures, with the impact being felt particularly within children's social care, home to school transport and other responsibilities for children's well-being.

4.11 The extent of the pressures needing to be provided for in this medium-term financial strategy are set out in Appendix 2. Left unmitigated these pressures would exhaust the council's reserves and leave an unsustainable financial position.

4.12 The local government sector has lobbied government on the need for additional funding to protect services and address the extraordinary financial pressures being experienced currently.

4.13 However, the 2023 Autumn Statement did not include any new funding announcements, and previously announced funding levels fall well short of addressing the pressures facing the sector. The challenges are most acute for councils with social care responsibilities, and relatively high deprivation levels that drive increased demand for those services whilst also limiting the ability to raise

funding locally. This is compounded by the Government's delay in undertaking fair funding reform in line with the principles of levelling up, which means the funding distribution methodology is eleven years old and in significant need of review.

- 4.14 It has therefore been necessary to develop additional savings proposals (Appendix 3), to ensure essential services can be maintained and the Council's financial position remains as sustainable and resilient as possible across the medium term.
- 4.15 A large amount of collaborative work was undertaken prior to any formal consultation. Several budget and transformation workshops were held, involving officers and members reviewing the key areas of expenditure and income in each directorate. Proposals from these workshops were then developed for further discussion at two all member budget conferences held on 11 October and 14 November 2023. This process then informed the development of Cabinet's budget proposals that were approved for formal consultation on 05 December 2023.
- 4.16 Formal consultation has been conducted through an on-line survey, targeted communications with key stakeholder groups, consultation through the Council's Corporate Resources Scrutiny & Improvement Committee, and discussion with wider council members.
- 4.17 After building in the proposed savings programme, the December budget proposals that were consulted on had a balanced net budget position for 2024/25. Since then, Government funding levels estimated on the basis of announcements in the Autumn Statement have had to be revised in line with the detail provided in the draft finance settlement which shows that a significant element of the inflationary uplifts for some funding streams announced in the Autumn Statement have been funded through reductions to other grants. Inflation and the 9.8% increase to the National Living Wage has also placed additional pressures on provider fees and other contract costs. Revised estimates for lower service review savings have been offset with reduced capital financing estimates due to some rephasing of investments and future interest rates forecast to reduce slightly.
- 4.18 These changes have resulted in an estimated budget deficit at this point of £2.2m for the 2024/25 year, which if realised will need to be funded from the Council's depleting reserve levels. There also remains a significant level of uncertainty and risk regarding the assumptions underpinning the MTFs, particularly within demand led statutory services where the drivers causing cost pressures can be unpredictable and volatile.
- 4.19 Alongside a tight financial settlement, the Government's message has been for councils to utilise their reserves where required to balance budgets. However, for the sector as a whole this is becoming less sustainable; and given the uneven spread of the financial challenge across local government due to an outdated funding formula that disadvantages councils with social care responsibilities and relatively high deprivation levels, this challenge is even more acute for many.
- 4.20 Consequently, it is extremely important for this Council to recognise the low levels of reserves it has, and the risks it faces with key services encountering volume and price pressures, an uncertain but austere outlook of future funding settlements from Government and a relatively low council tax base from which to raise funding locally.

4.21 It should also be noted that all reserves are not available to mitigate budget overspends, with a significant proportion of reserves required to be held for future commitments.

4.22 It is therefore vitally important that a focus is retained on financial resilience and sustainability, to ensure services remain sustainable and the Council can meet its permanent commitments on an on-going basis across the medium term. Although increasingly difficult, there will need to be a continued effort to seek further savings and solutions to close the budget deficit, preserve existing reserve levels in the short term and seek to replenish them if the financial outlook improves.

#### 4.23 **Revenue Budget Proposals**

The revenue budget has three key building blocks:

- Income and Funding
- Services Investments
- Driving Change Savings

4.24 The assumptions within this budget proposals report have been informed by a process of analysis and due diligence of the available evidence and intelligence, including the involvement of key service managers right across the council. However, the uncertainty within the current economic climate and the unpredictable nature of some of the drivers causing pressures on the Council's budget, means it will be necessary to keep these assumptions under review and refine plans as required.

### **INCOME AND FUNDING**

#### 4.25 **Government Funding**

Government announced their spending review on 27 October 2021 which covered the three years 2022/23 to 2024/25. There has been limited additional funding in this period, with the increases in core spending power for councils being mainly attributable to assumed increases in council tax levels. There has also been limited certainty of funding over this period, with councils receiving one-year financial settlements late in their budget planning cycles.

4.26 The challenges are most acute for councils with social care responsibilities, and relatively high deprivation levels that drive increased demand for those services whilst also limiting the ability to raise funding locally. Continued delays in Government undertaking the long-awaited fair funding reform have compounded these challenges, and with an upcoming general election and tight economic position nationally, there has been no confirmation of when this might be implemented.

4.27 The key highlights for local government from the autumn statement 2023 were:

- No new funding has been announced for local authorities.
- Social care grant allocations for 2024-25 that were announced in the 2022 Autumn Statement have been confirmed.

- The National Living Wage (for those aged 21 and over) will increase to £11.44 (+9.8%) in April 2024.
- The core Band D threshold will be 2.99%, and the adult social care precept a further 2%. Adult Social Care Precept threshold will be 2%.
- Baseline Funding Level (BFL) and Revenue Support Grant (RSG). Local authorities' BFL allocations will be uplifted by the "weighted average index". RSG allocations will be uplifted in line with the Consumer Price Index (6.62%).
- Business Rates
  - the standard multiplier will increase from 51.2p in 2023-24 to 54.6p in 2024-25, based on the September 2023 CPI.
  - The small multiplier will be frozen. Local authorities will be compensated in the usual way through s31 grants.
  - extension of the 75% relief for Retail, Hospitality and Leisure (RHL) sectors in 2024-25. Local authorities will be compensated in the usual way through s31 grants.
- Looking further ahead, prospects for local government finance settlements in the next spending review period look very tight. There is no change in the overall planned increase in Resource Departmental Expenditure (RDEL) of 1% in real terms, meaning real-terms cuts for unprotected services, including most of local government.

4.28 The draft Local Government Finance Settlement was subsequently published on 18 December 2023, confirming a one-year settlement for 2024/25. The content was largely in line with the autumn statement announcements, with the key aspects being:

- Assuming authorities increase their Band D by the maximum allowed, Core Spending Power (CSP) will increase by 6.5% in 2024-25 (council tax assumptions account for 53% of this increase)
- Confirmation of the indicated thresholds for council tax (2.99%) and adults social care precept (2%) for 2024/25
- New Homes Bonus (NHB) will continue in 2024-25. No future legacy payments.
- Services Grant will continue to operate in the same way as 2023-24 but with a significant reduced overall amount (down from £483m to £77m).

4.29 As stated in the Budget Proposals report in December, government funding levels were estimated on the basis of announcements in the Autumn Statement and would need to be revised as necessary in line with the draft finance settlement when it was released. Whilst most funding announcements were highlighted in the Autumn Statement, the detail in the draft finance settlement shows that a significant element of the inflationary uplifts for some funding streams announced in the Autumn Statement have been funded through reductions to other grants, particularly the Services Grant. The overall impact is a net funding position c£1 million lower than forecast as part of the December budget proposals position. This has had to be incorporated into the final budget put forward for approval within this report.

#### 4.30 Fees & Charges

4.31 Fees and charges provide an important income stream to the Council and are an essential element of the MTFS. Proposals for 2024/25 were considered and approved by Cabinet in December 2023. The forecast income generated in support of the MTFS is set out in the savings proposals appended to this report.

#### 4.32 Council Tax

The breakdown of the changes to the council tax base and the forecast deficit on the collection fund impacting on 2024/25 were approved by Cabinet in December.

4.33 In summary the tax base has increased by 425.8 compared to a growth forecast within the MTFS of 364, resulting in a gain of £0.117 million. In addition, there is a forecast deficit on the collection fund relating to council tax, with an amount of £0.862 million to be addressed in 2024/25.

4.34 Analysis of trends of council tax discounts and housing forecasts has informed a forecast of 245-578 Band D equivalent growth p.a. in the council tax base in future years, equating to £0.514 million to £1.153 million.

4.35 The draft finance settlement has confirmed that the referendum limit on council tax rises for 2024-25 will be 3% along with an additional 2% social care precept. As in recent years, the government have made clear that council tax rises are expected to be a key feature in councils achieving balanced budgets, representing a significant amount of the stated increase in core spending power for local government across the spending review period.

4.36 Due to the significant cost pressures on services set out in this report, the 2024/25 budget proposes a 2.99% increase to council tax and a 2% increase for the adult social care precept as consulted on and as reflected in the recommendations of this report. Similar indicative increases are assumed for the remaining years of the MTFS, although these assumptions are subject to decision by Full Council each year as part of the annual budget approval process.

4.37 The proposed increases in council tax and the adult social care precept for 2024/25 would add £1.73 per week (£90.27 per year) to the bill of a full council taxpayer living in a Band D house. For someone living in a Band A house receiving full council tax support, this reduces to 20 pence per week (£10.53 per year).

4.38 The Rating (Property in Common Occupation) and Council Tax (empty Dwellings) Act 2018 received Royal assent in November 2018. This allowed Councils to increase the Council Tax long term empty and unfurnished home premium to 100% from 1 April 2019 for properties that have been empty more than 2 years. The Council adopted this approach from 1 April 2019.

4.39 The Act also provided that from April 2020 the premium could be increased to 200% for any properties empty between 5 and 10 years and from April 2021 a 300% premium could be charged on any properties empty for more than 10

years. The Council has, to date, not implemented these additional powers.

- 4.40 The Levelling Up and Regeneration Act received Royal Assent on the 26 October 2023. This Act gives local authorities powers to charge an empty property premium for homes that have been empty for 1 year rather than 2 years introduced in the 2018 legislation. In addition, the Act allows local authorities to charge a 100% premium on “dwellings occupied periodically” after 1 year. These would be furnished dwellings typically used as second homes or holiday homes. These new powers are to be considered for use as a dissuasion to out of area investors purchasing additional properties in popular holiday locations making it difficult for local residents to find accommodation. Premium charges to “dwellings occupied periodically” can be made from 1 April 2025 with a requirement to give advance notice to affected households of at least 12 months.
- 4.41 It is proposed to implement the following additional premiums from 01 April 2025:
- Long-Term Empty (Unfurnished) Dwellings Premiums
    - Apply a 100% Premium after 1 year.
    - Apply a 200% Premium after 5 years.
    - Apply a 300% Premium after 10 years.
  - Periodically Occupied Dwellings Premium
    - Apply a 100% Premium after 1 year.
- 4.42 Making these changes will have a positive impact on the Councils budgetary position, whilst also encouraging long term empty properties to be brought into use and dissuading purchase of holiday/second homes by non-residents so that more local housing options are available within the borough. It is anticipated the proposals will increase the council tax base by 250 and council tax income by approximately £0.5 million from the 2025/26 financial year.

### **Business Rates**

- 4.43 The detail of the business rates position for the Council is set out within the ‘local taxation’ section of this report. As per the recommendations of this report, the business rates base for 2024/25 is £41.165 million, with the Council share being £20.711 million (Appendix 8b). The forecast surplus position on the Collection Fund for 2023/24 is £0.124 million, with the Council’s proportionate share being £0.061 million (Appendix 8c). Both elements have been factored into the Medium-Term Financial Strategy.

### **SERVICE INVESTMENTS**

- 4.44 The Council’s approach to its MTFS looks to recognise the pressures faced on service delivery and ensure that additional investment into services is managed to cater for the required increases and policy decisions, in line with our corporate priorities and commitments. The list of proposed service investments within the revenue budget over the next five years, totalling £47.247 million, is set out in Appendix 2, with the main items described below. This is particularly front loaded in 2024/25 due mainly to the pressures carried forward from this year from inflation and increased demand for statutory services.
- 4.45 In line with national trends, due to on-going demographic and price pressures, adult and children’s social care are consuming an increasing share of overall



council service spend. Whilst our services do pursue early intervention and prevention strategies to enable more children and older people to live safely at home with the right support at the right time, the upward pressure on spend is continuing, exacerbated by higher inflation and increasing national living wage levels. In order to maintain statutory service levels and support our most vulnerable residents, extra investment is required.

- 4.46 Demographic pressures have been particularly acute within children's services. The number of children in care has increased significantly with a 12.5% increase during 2023/24 seeing the council now having care responsibilities for 403 children. Of this cohort, around 10% of children are required to be placed in residential or supported accommodation placements, with pressures in this area also being driven by rising complexity of need and placement insufficiency, seeing an increase in average placement cost of 46% for this cohort.
- 4.47 The Council have modelled future expected demand increases and cost requirements and have set aside an updated growth allocation that is based on catering for current year cost levels but is also predicated on a transformation and prevention approach successfully avoiding further demand and cost increases of £2m next year and £1m per annum thereafter. The approach to this will be cross-council and will look at opportunities to address issues contributing to increased demand, deescalate care arrangements where possible and appropriate, and cater for required care placements in the most effective way. An LGA Peer Challenge in this area has been undertaken to obtain external sector leading views to help inform these plans.
- 4.48 High inflation continues to impact on pay costs. The recently approved pay award for 2023/24 equates to an average uplift of 6.20% which exceeds the 4% budgeted pay award assumed in February 2023. The impact of this shortfall is estimated to be around £1.5 million. Additional investment is therefore required in the 2024/25 budget for next year's pay award (estimated at 5%) plus the carried forward shortfall from 2023/24.
- 4.49 In response to growing inflation, the Bank of England base rate has risen rapidly to 5.25% since August 2023 – with fourteen consecutive increases in Bank Base Rate since December 2021. This has fed into substantially higher borrowing costs for the Council, which has had to be catered for across the medium-term financial plan period.
- 4.50 Some of the additional investment has been offset by the release of previous corporate provisions for demand, inflation and utility costs.

#### **DRIVING CHANGE SAVINGS**

- 4.51 In line with the aims of maintaining a sustainable and resilient MTFs, savings have been identified to be delivered over the term of the plan totalling £8.669 million. These are set out at Appendix 3.
- 4.52 Some of the savings were already planned in for 2024/25 as set out in the budget report presented to Full Council in February 2023. However, given the extent of the financial pressures facing the council, it has been necessary to develop additional savings proposals, mainly front loaded into next year.

- 4.53 The development of additional savings has been facilitated through several budget and transformation workshops, involving officers and members reviewing the key areas of expenditure and income in each directorate. Proposals were then discussed further at two all member budget conferences held on 11 October and 14 November 2023.
- 4.54 The development of additional savings has considered opportunities to:
- mitigate the demand and cost pressures contributing to the council's financial challenge,
  - drive out any further efficiencies,
  - increase income to improve the sustainability of the council's service offer,
  - reshape and prioritise service delivery within the funding envelope.
- 4.55 The estimated profiling of savings delivery has sought to cater for the time required for consultation and implementation. Savings proposals will be subject to robust governance and monitoring of delivery, but if any of the proposed savings are subsequently deemed not to be achievable in full, then alternative savings may be required to support the budget.

### Summary of Revenue MTFs position

- 4.56 The main changes since the Budget Proposals position that was consulted on are set out in the table below:

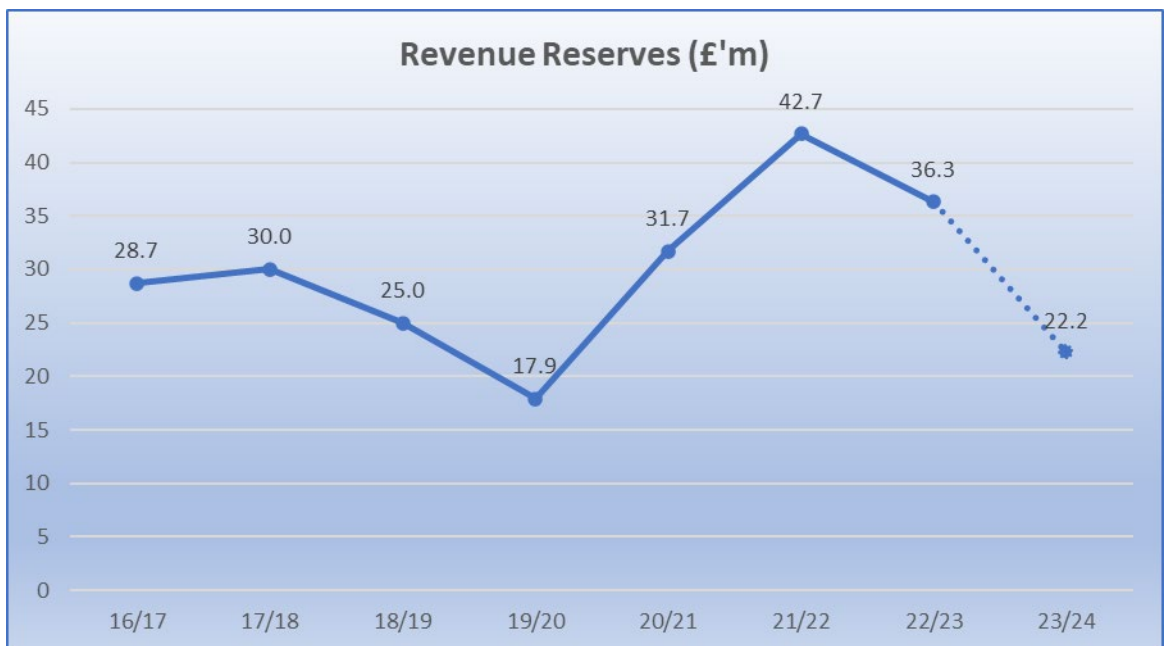
Revenue Position	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
<b>Budget Proposals - (Surplus) / Deficit balance</b>	0.007	0.207	0.668	1.472	2.147
Government Funding Changes	1.044	1.163	1.162	1.161	1.160
Other funding changes	-0.099	-0.339	-1.200	-1.374	-1.537
Revised assumptions for council tax increases	0.000	-2.075	-3.819	-5.722	-7.791
Amendments to required service investments	0.704	3.381	5.240	6.535	7.779
Amendments to savings forecasts	0.572	0.620	0.567	0.567	0.567
<b>Final Budget - (Surplus) / Deficit balance</b>	<b>2.228</b>	<b>2.957</b>	<b>2.618</b>	<b>2.639</b>	<b>2.325</b>

- 4.57 It should be noted that there remains a level of uncertainty and risk regarding the assumptions underpinning the MTFs, with global issues directly impacting the council's finances through inflation and interest rates and indirectly with the performance of the national economy influencing government fiscal policy and spending decisions. A number of the drivers causing pressures on the council's budget, in particular within children's services, are unpredictable and can be volatile.
- 4.58 The above changes have resulted in an estimated budget deficit at this point of £2.2m for the 2024/25 year, which if realised will need to be funded from reserves. The estimated deficit and the assumptions underpinning it will be kept under review as we monitor and report on the delivery of the 2024/25 budget and its associated savings programme. In line with our key financial planning principle of resilience and sustainability, we will continue to seek further solutions to close the budget deficit and preserve reserve levels where possible.

#### 4.59 Reserves Strategy

General Reserve balances provide both a degree of flexibility and financial protection against adverse variations in assumptions, shortfall in the delivery of plans and unforeseen events. It is critical that the level of general reserves is determined and informed by the quantification of risk. However, in setting the Council budget an evaluation of all available funds to support delivery of front-line services has been undertaken.

- 4.60 In recognition of these risks the level of general balances for 2024/25 has been set at £6.626 million, which represents a minimum floor provision of 5.0% of the Council's net budget (£132.519 million). The amount set aside is slightly higher than the risk assessed level of reserves as set out in Appendix 4.
- 4.61 In addition to the General Reserve, the Council holds earmarked reserves that are designated for specific purposes. Details of the earmarked reserves position is reported quarterly through the Council's regular financial position reports. Based on the second quarter report to Cabinet in December 2023, the balance on earmarked reserves including general balances (and excluding school balances) is £29.262 million.
- 4.62 This represents a use of c£7 million of reserves in the first half of 2023/24 that was anticipated due to the budget set for that year (£2.5 million) and some reserves that were held due to timing differences in respect of business rates and council tax grant funding received in advance.
- 4.63 However, reserve levels are anticipated to be reduced further to around £22 million by the end of 2023/24 due to the forecast overspend for that year (£4.686 million), exit costs associated with achieving staffing savings and various other commitments. Reserve levels over recent years are set out in the graph below.



- 4.64 Whilst reserve levels were replenished in the two years to 2021/22, it should be noted that the £42.7 million reserves level at that point only benchmarked in the

lower quartile of all upper tier local authorities. In the two years since then, due to funding not keeping pace with inflation and service demands, there has been a significant depletion of reserves.

- 4.65 The current deficit balance for the 2024/25 budget of c£2.2 million, if realised will be a further call on reserves, and there remains a significant level of uncertainty and risk regarding the assumptions underpinning the MTFs, particularly within demand led statutory services where the drivers causing cost pressures can be unpredictable and volatile. It should also be noted that all reserves are not available to mitigate budget overspends, with a significant proportion of reserves required to be held for future commitments.
- 4.66 It is estimated that after providing for the risk assessed level of general balances for 2024/25 at 5% of net budget (£6.626 million), only c£7 million of reserves will be available to provide a degree of financial resilience against the MTFs position from 2024/25.
- 4.67 Alongside a tight financial settlement, the Government's message has been for councils to utilise their reserves where required to balance budgets. For the sector as a whole this is becoming less sustainable. However, given the uneven spread of the financial challenge across local government due to an outdated funding formula that disadvantages councils with social care responsibilities and relatively high deprivation levels, this challenge is even more acute for many including Redcar and Cleveland Council.
- 4.68 Consequently, it is extremely important for this council to recognise the low levels of reserves it holds, and the risks it faces with key services encountering volume and price pressures, an uncertain but austere outlook of future funding settlements from Government and a relatively low council tax base from which to raise funding locally.
- 4.69 It is therefore vitally important that a focus is retained on financial resilience and sustainability, to ensure services remain sustainable and the Council can meet its permanent commitments on an on-going basis across the medium term. Although increasingly difficult, there will need to be a continued effort to seek further savings and solutions to close the budget deficit, preserve reserve levels in the short term and seek to replenish them if the financial outlook improves. It would not be prudent to plan to use any more reserves to fund budget deficits or overspends.
- 4.70 Dedicated Schools Grant (DSG) deficit – unusable reserve

As part of the Dedicated School Grant, the council receives High Needs funding to fulfil their statutory duty of catering for children who are determined to have additional educational requirements or attend alternative education provision outside of their mainstream education placement. In recent years the demands on this funding block have been more than the funding available. As a result, like many other local authorities, the council carry what is known as a DSG deficit. At the end of 2022/23 this DSG deficit totalled £4.970 million and is predicted to further increase by £1.314 million to £6.284 million by 31 March 2024.

- 4.71 This is a national issue affecting many local education authorities and has been compounded by the long-term after-effects of the Pandemic. The Government have partly recognised this by an increase in funding allocated in the finance settlements for 2022/23 and 2023/24 for both Schools and High Needs Block.
- 4.72 Government have also made local authority DSG deficits subject to a statutory override, which has required councils who act as local education authorities to account for any cumulative DSG negative balances in a separate unusable reserve, away from the main Council usable reserves. Therefore, the Council is not currently required to fund this deficit from its general or earmarked reserve balances.
- 4.73 The Government have recently extended this override period from 31 March 2023 to 31 March 2026. Whilst this extension is welcome, the time-limited nature of the extension poses a financial risk for councils which requires a long-term solution from the Government. If a more sustainable solution is not forthcoming or the statutory override is not continued beyond 2026, councils would need to fund any DSG deficits at the time from their usable reserves.
- 4.74 The medium-term financial plan currently assumes the statutory over-ride remains in place, and we will closely monitor the Government position on this matter.

#### 4.75 **Local Taxation**

This section of the report considers the detailed position in respect of income to be received from local taxation, which covers the following areas:

- Council tax.
- Adult social care precept.
- Major precepting bodies.
- Parish and Town Council precepts.
- Business rates.

Relevant considerations for each of these streams are set out below.

#### 4.76 Council Tax

The Budget for 2024/25 is based on an increase of 2.99% on council tax, which creates a council band D equivalent amount for 2024/25 of £1,615.95 per annum. This band D equivalent is the amount prior to the application of any eligible discounts and/or exemptions on a householder's bill.

- 4.77 Appendix 5 details the council tax position for the forthcoming five years, with 2024/25 increasing by 2.99%, and an indicative 2.99% increase for the years thereafter for current financial planning purposes, as each year Council will need to agree the level for council tax for the year ahead.
- 4.78 The proposed 2.99% council tax increase for 2024/25 equates to a band D equivalent additional sum per week for the following groups of payers:

- Full council taxpayer (100%) - £1.04 per week
- Single person discount (75%) - £0.78 per week
- Average discount payer (72%) - £0.75 per week
- Council tax support payer (17.5%) - £0.18 per week

4.79 The majority of our residents have properties that fall into council tax bands A to C (83.4%) and therefore the proposed 2.99% council tax increase is reduced for residents in these bandings. The proposed charges would be as follows: average discounts reduce these sums by a further circa 28.0%).

- Band A – 6/9th of a band D equivalent - £1,077.30 or £20.66 per week.
- Band B – 7/9th of a band D equivalent - £1,256.85 per annum or £24.10 per week.
- Band C – 8/9th of a band D equivalent - £1,436.40 per annum or £27.55 per week.

N.B – The impact of parish precepts would add to these sums in areas which are served by a parish council.

4.80 The Council is required by the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set a level of council tax for the forthcoming 2024/25 financial year by 11 March 2024. The calculation of the level of council tax for 2024/25, (Appendix 6) is in accordance with these statutory requirements and does not breach the up to 3.00% threshold set by DLUHC, which would then require the Council to hold a referendum on the proposals.

#### 4.81 Adult Social Care Precept

The 2024/25 Budget is based on a 2.00% rise in the precept relating to the funding of adult social care. Additional funding from the adult social care precept is ring-fenced and transferred directly to adult social care to part fund the pressures in the service, as set out in Appendix 2. Use of this precept is reported to Government, both at the point of budget allocation and at the final year-end outturn, detailing the actual amounts spent.

4.82 The proposed 2.00% precept increase would add £36.18 per annum (from £247.59 to £283.77) to the overall council tax bill, based on a band D equivalent amount, prior to the application of any eligible discounts and/or exemptions. The Council is obliged to set out on council tax bills the increase in respect of the 2024/25 adult social care precept, separate to the overall council tax position (Appendix 5 & 6).

4.83 The proposed 2.00% adult social care precept increase for 2023/24 equates to a band D equivalent additional sum per week for the following groups of payers:

- Full Council Taxpayer (100%) – £0.69 per week.
- Single person discount (75%) – £0.52 per week.
- Average discount payer (72%) – £0.50 per week.
- Council Tax Support payer (17.5%) – £0.12 per week.

4.84 The majority of our residents have properties that fall into council tax bands A to C (83.4%), and therefore the proposed 2.00% adult social care precept increase is reduced for residents with properties in these bandings. The proposed charges would be as follows: (average discounts reduce these sums by a further circa 28.0%):

- Band A – 6/9th of a Band D equivalent - £189.18 per annum or £3.62 per week.
- Band B – 7/9th of a Band D equivalent - £220.71 per annum or £4.23 per week.
- Band C – 8/9th of a Band D equivalent - £252.24 per annum or £4.84 per week.

4.85 A 2.00% adult social care precept would generate an additional sum of £1.594 million in 2024/25. Whilst the full amount would be allocated to the Adult Social Care service, the amounts charged to residents would be allocated as per the normal council tax bandings and subject to the various reliefs appropriate to each council taxpayer.

#### 4.86 Business Rates

Since the Local Government Funding system was changed in April 2013, the Council is directly funded from a proportion (49%) of the business rates collected in the Borough. However, the Council also bears a significant share of the financial risk if there is a reduction in the amount collected. A safety net mechanism is operated by DLUHC which means that financial support is provided if the drop-in collection is significant.

4.87 The Medium-Term Financial Strategy is built on the Council's share of this being treated as a source of income to fund general Council activity, in exactly the same way as we currently treat council tax income. The assumptions around business rates collection would either take away or add to the overall income of the Council.

4.88 The 2024/25 safety net threshold is 92.5% of the allocated business rates yield and would see the Council bearing the first circa £2.940 million of any gross collection shortfall, prior to any support being available from Central Government.

4.89 The Borough has a government-set target for an assumed business rate yield of £39.199 million for 2024/25, based on the funding formula estimations. This target was set in 2013/14 and is generally uplifted by inflation year on year and hence has not been adjusted for in respect of the specific economic conditions in the Borough. An element of this assumption is paid as top-up grant with the remainder set as a baseline of £24.683 million.

4.90 The Council collects circa 99% of all business rates due for the year, however the actual business rate base is below the assumed Government set baseline. The Council is working on a cash collection total of £20.711 million As shown in Appendix 8.

- 4.91 Whilst the anticipated business rate yield for 2024/25 is below the Government's original planning assumptions, the position remains in excess of the Government's safety net arrangement, so the Council has to bear this proportion of loss, without support and/or adjustment.
- 4.92 The retained cash collected is added to by a 'Top-Up' grant. This grant is part of the national mechanism to equalise business rate funding needs across England. In 2024/25, the 'Top-Up' grant for the Council is £14.516 million.
- 4.93 The Government provides additional grant funding to support aspects of the business rate process (known as a Section 31 Grant). These grants refund the Council for lost revenue where Government policy changes impact on local business rate yields, and for 2024/25 this is worth an estimated £10.379 million to the Council. This has been included in the Council's budget estimates and forms part of the overall financial position of the Council.
- 4.94 The accounting for business rates in a forthcoming financial year is determined at the budget setting stage, with any variations during the 2023/24 year, having an impact on the next financial year - 2024/25, in the form of a recalculated Collection Fund surplus or deficit. During 2023/24 the Council will retain a 49% share of the forecast business rates surplus position, estimated to be £0.124 million. The amount contributing to the 2024/25 budget is £0.061 million. The main causes of the forecast surplus are a reduction to discounts offset by a reduced base and a worsening 2022/23 position than forecast. Although there has been a surplus on the fund, the reduction in discounts results in the loss of Section 31 grant which is grant received from the Government to compensate for lost income due to Government policy. This loss is accounted for in the 2023/24 financial year.
- 4.95 The total anticipated funding from business rates in 2024/25 is £45.953 million.

#### 4.96 **Capital Investment & Treasury Management Strategy**

A key element of the Council's Medium-Term Financial Plan relates to the ongoing development of the Council's capital expenditure requirements. These longer-term spending plans invest in a range of areas including promoting economic growth, investing in service delivery, and planned replacement of assets.

#### 4.97 Capital Investments

The Council manages its Capital Investments Programme on a rolling basis, with an on-going programme of investments in our infrastructure alongside a range of investments to regenerate the area and stimulate sustainable growth. These proposals follow a refresh of our investments programme to ensure alignment to the Council's priorities and to the five-year planning horizon of the revenue budget. The five-year planning timescale necessitates that some of the Capital Investment Programme is indicative at this stage and will therefore remain under constant review as we firm up and appraise plans and proposals including funding opportunities, business case credentials and overall impact on financial sustainability.



4.98 The table below summarises the £196.340 million of investment proposed through to 2028/29, with scheme level detail set out at Appendix 9.

<b>Capital Block</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Town Scape Investment	21.677	48.114	16.887	0.100	0.100	0.100	86.978
Visitor Attractions & Amenities	3.528	6.804	9.157	0.000	0.000	0.000	19.489
Business Infrastructure	1.440	3.503	0.000	0.000	0.000	0.000	4.943
Transport Infrastructure	4.504	5.519	5.739	5.252	3.420	3.419	27.853
Housing	0.702	0.000	0.000	0.000	0.000	0.000	0.702
Supported Housing	2.705	2.390	2.290	2.090	2.090	2.090	13.655
Community Capacity	0.476	0.468	0.000	0.000	0.515	0.000	1.459
Recycling & Waste Initiatives	0.273	0.645	0.100	0.100	0.100	0.100	1.318
Education	3.087	4.964	0.214	0.165	0.164	0.165	8.758
Council Investments	6.755	6.355	4.715	4.746	4.331	4.283	31.185
<b>Total</b>	<b>45.147</b>	<b>78.762</b>	<b>39.102</b>	<b>12.453</b>	<b>10.720</b>	<b>10.157</b>	<b>196.340</b>

4.99 In line with our priority of clean and tidy, our aims to reduce carbon emissions are supported by specific investment to underpin actions within our Climate Change Strategy, including development of renewable energy projects, support for sustainable transport infrastructure and more tree planting on an on-going basis.

4.100 This complements the significant annual investment planned in our IT infrastructure that allows us to operate more flexibly, reducing the need for building space and travel. Our fleet replacement programme allows our older vehicles to be replaced with cleaner ones, with more electric vehicles being trialled and purchased. The on-going investment in the planned maintenance of our buildings includes provision to make them more energy efficient as we undertake these works, and grant funding has been secured for accelerated decarbonisation works on some of our buildings.

4.101 Helping people to live and age well, there is on-going investment in disabled facilities and adaptations to allow people to live more independently in their own homes. Significant investment is also planned to provide new sporting facilities including a new swimming pool in Eston and funding to support grass roots sport throughout the borough.

4.102 Helping our children to start life well is supported by further planned investment in our school estate, expanding existing school provision, and creating new, to meet the educational needs of our young people.

4.103 We have extensive plans to improve the physical appearance of the Borough and enhance prosperity. Significant investment in our towns is taking place, including through the Redcar Town Fund and Loftus Future High Streets Fund, with more planned through the Levelling Up Connecting People and Place Funding, and Eston Levelling Up Funding. Investment is also planned to support business growth, with our industrial estates programme creating the infrastructure needed.

4.104 The Government's 2023 Spring Budget announced further funding for 20 areas in England which the Government defined as being in the most need of levelling up. The Government have had direct conversations with the Council and other

partners in the Borough to develop a project portfolio with a “notional” value of £20m for which the Council will be the “responsible body”.

- 4.105 The £20m Levelling Up Partnership funding will seek to deliver the following projects:
- 1) All Access Academy at Redcar & Cleveland College. Delivering an extension to the college building to create a new learning space.
  - 2) CCTV to address anti-social behaviour. Involving the acquisition of new CCTV apparatus and refurbishment of the Council’s CCTV control room.
  - 3) Tuned In revitalised. Involving the redesign and refurbishment of Tuned In to create a more sustainable space.
  - 4) Redcar Station restoration. The redevelopment of derelict building for use as an active train station and retail space.
  - 5) South Bank Community Land Trust. Involving the acquisition of vacant dwellings and refurbishment for affordable housing to be the responsibility of South Bank CLT.
  - 6) Community Grants.
  - 7) Supported housing for 16-17 year olds in care. Involving the acquisition of vacant dwellings and refurbishment for variety of different Council care leavers accommodation.
  - 8) Family Hubs improvement. Delivering Council run Family Hub improvements to create forest schools, sensory gardens and a refurbished café.
  - 9) Childrens residential care homes. Involving the acquisition of 2 x vacant dwellings and refurbishment for Council care home usage.
  - 10) Daisy Lane SPA enhancements. Facilitating the redesign and refurbishment of Daisy Lane building to create a more sustainable space.
- 4.106 Our approach to a strong and sustainable council is also reflected. The infrastructure requirements for service delivery including IT, assets and fleet are provided for. On-going investment is also planned in the Borough’s transport infrastructure, including the road network, repair and maintenance of highways assets, drainage maintenance and flood prevention.
- 4.107 The Council operates established governance arrangements around the delivery of the Capital Investment Programme, to maximise the realisation of benefits and delivery of value for money. Our ‘In-Control’ toolkit is utilised to ensure all the five cases of the green book business case model are considered at the key milestones of planning and scheme delivery. These business cases are considered at the Council’s Programme Management Group, consisting of a cross section of relevant senior officers from across the Council, to ensure a comprehensive appraisal of proposals prior to being presented to Cabinet for consideration and approval.
- 4.108 A number of schemes within the Capital Investment Programme have already been approved and are currently being delivered. Other schemes are at an earlier stage and are included in the proposed programme now for financial planning purposes. These schemes will go through the governance process described above, and as such could be amended or removed as appropriate.
- 4.109 As per our focus on financial resilience and sustainability, we have sought and will continue to seek to maximise the use of external funding sources and manage the amount of borrowing required to underpin our investments.

- 4.110 Indicative funding sources for the Capital Investment Programme have been included, which currently shows nearly £3 of external funding leveraged for every £1 invested by the Council. In summary the indicative funding sources for the £196.340 million programme are £143.832 million grant funding, £50.990 million borrowing, £1.500 million capital receipts and £0.018 million revenue contributions.
- 4.111 The Capital Investments Programme will continue to evolve over time. Consideration of future investment proposals will appraise strength of fit to the agreed priorities of the Council, as well as ability to deliver a return on investment where appropriate to support the financial sustainability of the Council and ensure the funding of the programme remains affordable.
- 4.112 The Council's Funding Strategy for its capital expenditure is based on prudence, affordability, and sustainability, which is evidenced and set out in a range of indicators known as the Prudential Indicators. These indicators are set on an annual basis, monitored regularly, and revised accordingly.
- 4.113 Capital expenditure which is funded by borrowing has a range of implications for the Council's short- and long-term revenue budgets. The Council must set aside additional capital financing revenue budgets for the costs of interest on borrowing and adequate budget to re-pay the debt incurred (known as the minimum revenue provision).
- 4.114 The Council holds revenue budgets for capital financing costs totalling £21.063 million (16% of the net revenue budget for 2024/25). The table below analyses the total cost between principal repayments (minimum revenue provision) and interest payments. The table also includes costs associated with brokerage fees, the costs of premiums associated with repaying some loans early, less interest earned on investment balances. Subsequent changes to capital financing costs in 2024/25 may arise as a result of changes to the Capital Investment Programme. The capital financing costs of the debt is distinguished between debt linked to the Capital Investment Programme and debt payable on other long-term liabilities such as PFI's.

<b>Capital Financing Costs</b>	<b>2024/25 Forecast £'m</b>
<b>Capital Investment Programme</b>	
Principal MRP	4.587
Interest	9.267
<b>Total Capital Financing Costs linked to the Capital Investment Programme</b>	<b>13.854</b>
<b>Long Term Liabilities (i.e., leases and PFI arrangements)</b>	
Principal MRP	1.095
Interest	6.853
<b>Total Capital Financing costs linked to Long Term Liabilities</b>	<b>7.948</b>
<b>Capital Financing costs link to all debt.</b>	
Principal	<b>5.682</b>
Interest	<b>16.120</b>

<b>Gross Capital Financing Costs</b>	<b>21.802</b>
Add loan refinancing premium costs	0.545
Add Brokerage Fees	0.016
Less Investment Income	(1.300)
<b>Total Net Capital Financing Costs</b>	<b>21.063</b>

4.115 The Capital Investment Programme will only incur borrowing for approved aspects of the programme as and when required. The Council will not, unless essential, borrow in advance of need.

4.116 Appendix 10 provides detailed information on the Capital and Treasury Strategies of the Council, which has been reviewed and commented upon by Governance Committee on 05 February 2024.

#### 4.117 Treasury Management Strategy

The Council has to effectively and efficiently manage cash resources and working capital (short term assets and liabilities). The approach to treasury management requires a robust governance framework to be in place, which follows regulatory and recognised best practice. Appendix 10 fully sets out the framework for the Council's approach to treasury management activities, which was reviewed and commented upon by Governance Committee on 05 February 2024.

4.118 The Capital and Treasury Management Strategies sets out how the Council identifies, monitors, and controls risk in relation to managing cash balances and developing an investment strategy. Accordingly, the analysis and reporting of treasury management focuses on their risk implications for the Council.

4.119 Prudential indicators are used to allow the Council to monitor and regulate the capital investment and financing activities of the Council. Regulations require these indicators are annually set and periodically monitored by all councils and are therefore determined by local borrowing plans based on the specific capital investment strategy and plans of a council.

4.120 The Council is forecasting to have external outstanding capital investment programme debt of £209.443 million as at 31 March 2024.

4.121 In addition to this outstanding debt from direct borrowing, the Council has the historic debt associated with Private Finance Initiative (PFI) assets which will stand at £42.363 million at year end.

4.122 The total long-term debt for all capital purposes estimated for the end of March 2024 is £251.806 million. This must be compared to the Council's forecasted underlying need to borrow, which is referred to as the Capital Financing Requirement of £268.385 million at 31 March 2024. The difference of £16.579 million reflects the current approach of delaying borrowing decisions and running down surplus cash balances in order to deliver revenue cost reductions in interest.

- 4.123 As part of the treasury management arrangements of the Council, income yield is generated on surplus cash balances from investments in fixed terms deposits. The Council has between £15.000 million and £40.000 million in surplus cash available on any particular working day which leads to an annual interest earned budget of around £0.500 million. It is envisaged that current interest rates will reduce during 2024/25.
- 4.124 The Council also holds investments in Unit Trusts with the Church, Charity, and Local Authority (CCLA) Property Fund. The Council identified this investment option in 2018/19 in order to increase the rate of return achieved compared to current money market fund and cash deposit counterparties currently used. This investment will yield a return of approximately 4% which equates to around £0.400 million in investment income in 2024/25. The Government have put in place a statutory override for the accounting treatment of investments like the CCLA one until the 31st March 2025. If the override is not extended any difference between the original investment amount and the fair value of the investment will be chargeable to the revenue accounts in 2025/26. The current difference on the fund as at the 31st December 2023 is a reduction in value of £1.572 million.
- 4.125 The Council's main objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. As a result, the Investment Strategy continues to ensure a prudent and diverse list of counter-party cash balance limits are maintained, who satisfy a minimum credit rating of A-. Cash balances will continue to be kept low and primarily for short-term liquidity purposes.
- 4.126 The Council is required to maintain a policy for the repayment of debt incurred over previous years, stretching back decades – known as the Minimum Revenue Provision Policy. The policy is split into different elements which are influenced by when the borrowing was originally incurred, the type of assets being financed, and the useful economic life of the assets concerned. The Council has updated the 2023/24 policy to realign the pre-2008 debt to an annuity basis and the street lighting MRP to reflect the useful economic life of the lighting columns more accurately. No changes are proposed to the Minimum Revenue Provision Policy for 2024/25. The Policy is set out in Appendix 10.
- 4.127 The Treasury Management Strategy sets out the Prudential Indicator measures for a Council approved authorised limit for external debt for 2024/25 of £299.575 million (the maximum allowed) and an operational boundary for external debt of £274.575 million (a working total for the limit on borrowing).

## **5.0 Impact Assessment**

**5.1 Climate Emergency** – The budget proposals identify areas of service that, if approved will need to be considered for their impact on the Climate, with some proposals proactively targeted at delivering improvements.

**5.2 Health and Safety** – The budget has a secured level of funding for our Health & Safety needs.

**5.3 Social Value** – A key component of the procurement and investment strategies of the Council is to promote social value across the Borough.

**5.4 Legal** – The Local Government Act 2003 sets out a statutory requirement for the Chief Finance Officer to achieve a balanced budget for the Council; and a formal requirement on local authorities to consider the proposed level of reserves taking note of the advice from the Chief Finance Officer.

In addition, Section 25 of the Local Government Act 1972 addresses the Chief Finance Officer's legal requirement to be satisfied regarding the adequacy of its reserves when setting and operating budgetary policy of the Council.

The Local Authorities (Standing Orders) (England) Amendment) Regulations 2014 ('the Regulations') require recorded votes to be taken at budget-setting meetings. The Regulations state that, immediately after any vote is taken at a budget decision meeting of an authority, there must be recorded in the minutes of the proceedings of that meeting, the names of the persons who cast a vote for the decision or against the decision, or who abstained from voting.

Section 106 of the Local Government Finance Act 1992 makes it an offence for a Member in council tax arrears (of at least two months) to vote at a meeting of the Council, of a committee, or of the Council's Executive where financial matters relating to council tax are being considered. It is also an offence if any such Member present, who is aware of the arrears, fails to disclose that they are in arrears of council tax.

**5.5 Financial** – The main body of the report sets out the revenue and capital aspects of the budget.

**5.6 Human Resources** – Aspects of the proposals are likely to impact the staffing establishment in some service areas. As has been the case in previous years, any impact will be managed in line with HR policies.

## **6.0 Implementation Plan**

### **6.1 Timetable for Implementing Decision:**

- 06 February – Cabinet to propose the 2024/25 Budget and Council Tax requirement to Council.
- 29 February – Council to set the 2024/2025 Budget and Council Tax requirement.

**6.2 Lead Officer:** Phil Winstanley – Director – Finance (Section 151 Officer)

**6.3 Reporting Progress:** As per the timetable for implementation above.

**6.4 Communications Plan:** As per the timetable for implementation above.

## **7.0 Consultation and Engagement**

- 7.1 The Council, through legislation, has two requirements to consult on the annual budget. The required consultation is with the businesses located in the borough and is in respect of the Council's Capital Investment Programme and proposals for increases in local taxation levels.
- 7.2 A large amount of collaborative work was undertaken prior to any formal consultation. Several budget and transformation workshops were held, involving officers and members reviewing the key areas of expenditure and income in each directorate. Proposals from these workshops were then developed for further discussion at two all member budget conferences held on 11 October and 14 November 2023. This process then informed the development of Cabinet's budget proposals that were approved for formal consultation on 05 December 2023.
- 7.3 Formal consultation has been conducted through an on-line survey, targeted communications with key stakeholder groups, consultation through the Council's Corporate Resources Scrutiny & Improvement Committee, and discussion with wider council members.
- 7.4 The responses to the on-line survey are set out at Appendix 12. There has been a total of 285 responses to the survey.
- 7.5 Regarding the revenue budget proposals, asking if people supported the action being taken to balance the budget and continue to support the vulnerable and provide services that people need and value each day, 36% (102) answered yes and 64% (183) answered no.
- 7.6 Regarding the capital investment programme, asking if people supported our proposed investments in the borough, 49% (141) answered yes and 51% (144) answered no.
- 7.7 Consultation on the budget proposals can be challenging, with only a limited ability to explain the reasons for proposals and potential consequences of implanting them or not. A frequently asked questions page addressing common queries on the Council's budget and its finances is posted on the Council website to try to help with this. This will be updated to include any new points raised as part of this consultation. A wide and varied range of comments were received, many reflecting the key factors that were considered in developing these final budget proposals.

## **8.0 Chief Finance Officer Assurances**

- 8.1 Section 25 of the Local Government Act 2003 places a duty on the chief finance officer (Director of Finance and Section 151 Officer) to advise Members on the robustness of the budget estimates and the adequacy of the proposed level of reserves. This section of the report fulfils this requirement.
- 8.2 Due to funding not keeping pace with inflation and service demands, the financial position of this Council and the local government sector as a whole is extremely challenging. The extent of the cost pressures needing to be provided for in this medium-term financial strategy are significant and left unmitigated would exhaust the council's reserves and leave an unsustainable financial position.
- 8.3 The local government sector has lobbied government on the need for additional funding to protect services and address the extraordinary financial pressures being experienced currently. However, with no new funding announcements for 2024/25, previously announced funding levels fall well short of addressing the pressures facing the sector.
- 8.4 Alongside a tight financial settlement, the Government's message has been for councils to utilise their reserves where required to balance budgets. For the sector as a whole this is becoming less sustainable. However, given the uneven spread of the financial challenge across local government due to an outdated funding formula that disadvantages councils with social care responsibilities and relatively high deprivation levels, this challenge is even more acute for many including Redcar and Cleveland Council.
- 8.5 Consequently, it is extremely important for this council to recognise the low levels of reserves it holds, and the risks it faces with key services encountering volume and price pressures, an uncertain but austere outlook of future funding settlements from Government and a relatively low council tax base from which to raise funding locally.
- 8.6 A large amount of collaborative work has been undertaken, with several budget and transformation workshops held, involving officers and members reviewing the key areas of expenditure and income in each directorate. Proposals from these workshops were then developed for further discussion at two all member budget conferences held on 11 October and 14 November 2023. This process informed the development of an extensive savings programme designed to ensure essential services can be maintained and the Council's financial position gets as close to being as sustainable and resilient as possible across the medium term.
- 8.7 Reserves will need to be used to fund the level of overspend against the 2023/24 budget unable to be mitigated by year end, and to facilitate the delivery of elements of the 2024/25 savings programme.
- 8.8 The proposals set out in this report allow the setting of a Capital Investment Programme which is fully supported by a robust Treasury Management Strategy. However, based on a council tax increase of 2.99% and a 2.00% increase in respect of the adult social care precept, these proposals allow the Council to set a balanced revenue budget for 2024/25 only after an estimated further use of



c£2.2m of reserves.

- 8.9 The Chief Finance Officer has been integral to the building of the Council's budget, and the assumptions within these proposals have been informed by a process of analysis and due diligence of the available evidence and intelligence, including the involvement of key service managers right across the council.
- 8.10 However, there remains a significant level of uncertainty and risk regarding the assumptions underpinning the MTFs, particularly within demand led statutory services where the drivers causing cost pressures can be unpredictable and volatile, and within the current economic climate where national and international factors can impact upon the Council's finances. It will be necessary to keep these assumptions under review and refine plans as required.
- 8.11 Reserve balances help to provide a degree of flexibility and financial protection against adverse variations in assumptions, shortfall in the delivery of plans and unforeseen events. However, due to funding not keeping pace with inflation and service demands, the Council's financial position has been extremely challenging over the last two years, which has seen a significant depletion of reserve levels held.
- 8.12 It is anticipated that usable revenue reserves will be reduced to c£22 million at the end of 2023/24 (down from c£42 million at the end of 2021/22). However, it should be noted that all reserves are not available to mitigate budget overspends, with a significant proportion of reserves required to be held for future commitments.
- 8.13 It is estimated that after providing for the Chief Finance Officer's risk assessed level of general balances for 2024/25 at 5% of net budget (£6.626 million), only c£7 million of reserves will be available to provide a degree of financial resilience against the MTFs position from 2024/25. It would therefore not be prudent to plan to use any more reserves to fund budget deficits or overspends.
- 8.14 A scenario where the 2024/25 budget deficit of £2.2 million is funded from reserves, followed by any significant overspend against the budget in-year, would mean the Council would find it very difficult to set a balanced budget for 2025/26.
- 8.15 Therefore, further savings and solutions will need to be identified subsequent to the approval of these proposals, to both close the 2024/25 budget deficit and provide some protection/contingency against any adverse variations in MTFs assumptions and plans from 2024/25. This will help to preserve existing reserve levels in the short term. The Council should make the replenishment of reserve levels a priority as and when the financial position allows.
- 8.16 To further mitigate the level of potential risks, in addition to the development of further savings, robust budget monitoring will continue to focus on the delivery of the planned budget and then regularly report to Members through the quarterly financial position statement to Cabinet.

## 9.0 Appendices and Background Papers

- Appendix 1 – Revenue Budget Summary
- Appendix 2 – Service Investments
- Appendix 3 – Driving Change Savings
- Appendix 4 – General Reserves' Level
- Appendix 5 - Council Tax & Adult Social Care Precept
- Appendix 6 – Council Tax Setting – for the Council
- Appendix 8a – Business Rates Forecast
- Appendix 8b - 2023/24 - National Non-Domestic Rates Return (NNDR1)
- Appendix 8c - 2022/23 – Business Rates Collection Fund Deficit Estimate
- Appendix 9 – Capital Investment Programme
- Appendix 10 – Treasury Management Strategy
- Appendix 11 – Policy for flexible use of capital receipts for 2024/25
- Appendix 12 – On-line budget consultation survey responses
- Appendix 13 – Provisional Local Government Finance Settlement – LGA on the day briefing
- Appendix 14 – Provisional Local Government Finance Settlement – Council response

## 9.0 Contact Officer

**9.1 Name:** Phil Winstanley

**9.2 Position:** Director – Finance (Section 151 Officer)

**9.3 Email address:** [Philip.winstanley@redcar-cleveland.gov.uk](mailto:Philip.winstanley@redcar-cleveland.gov.uk)

<b>Council Budget Summary</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	£'m	£'m	£'m	£'m	£'m
Revenue Support Grant	9.288	9.520	9.711	9.905	10.103
Council Tax Income	65.605	70.062	74.317	78.277	82.456
Adult Services Levy	11.672	12.628	13.539	14.502	15.520
Business Rates Income	45.953	49.281	52.270	53.468	54.675
<b>Sub Total</b>	<b>132.519</b>	<b>141.491</b>	<b>149.836</b>	<b>156.152</b>	<b>162.754</b>
Education Funding	47.654	47.654	47.654	47.654	47.654
Housing Benefit Funding	34.823	34.823	34.823	34.823	34.823
Fees & Charges	19.643	19.643	19.643	19.643	19.643
Grants & Other Funding	88.306	87.758	87.758	87.758	87.758
<b>Sub Total</b>	<b>190.426</b>	<b>189.878</b>	<b>189.878</b>	<b>189.878</b>	<b>189.878</b>
<b>Total Council Funding</b>	<b>322.945</b>	<b>331.369</b>	<b>339.714</b>	<b>346.031</b>	<b>352.633</b>
Education Budget Allocation	47.654	47.654	47.654	47.654	47.654
Housing Benefit Payments	34.823	34.823	34.823	34.823	34.823
Base - Council Pay & Non Pay Budget	233.902	242.696	251.849	259.855	266.193
Service Investments	16.367	9.761	8.253	6.458	6.408
Budget Reductions	-7.574	-0.607	-0.248	-0.120	-0.120
<b>Total Council Expenditure</b>	<b>325.173</b>	<b>334.326</b>	<b>342.332</b>	<b>348.670</b>	<b>354.958</b>
<b>Net Revenue Position</b>	<b>2.228</b>	<b>2.957</b>	<b>2.618</b>	<b>2.639</b>	<b>2.325</b>

## Appendix 2 – Service Investments

<b>Service Investments</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Children in care demographic and cost pressure	7,200,000	1,000,000	1,000,000	1,000,000	1,000,000
Home to school transport	600,000	-	-	-	
Children & Families Staffing	800,000				
Legal Services	300,000				
Children with Disabilities	500,000				
Adult social care demographic and cost pressures	3,020,000	2,000,000	2,000,000	2,000,000	2,000,000
Waste and Highways services - volume and price pressures	775,950	1,577,150	832,250	166,700	934,300
Environmental Services - Rapid Response Team	170,000				
Tree Safety Strategy	200,000				
Pay Award (24/25 5% then 3% from 25/26 )	5,027,268	2,112,557	2,161,246	2,204,505	2,204,505
Pension Fund Triennial Revaluation	250,000	500,000	-	-	
Capital financing costs	754,000	1,621,000	1,010,000	587,000	269,000
Recharges to capital	- 500,000	500,000			
Utility Inflation - Forecast Energy Cost Reductions in 24/25	- 1,180,000	-	-	-	
General demand provision	- 1,600,000	-	1,000,000	500,000	
Inflation Provision	- 450,000	450,000	250,000		
Transformation and Prevention	500,000				
<b>Total</b>	<b>16,367,218</b>	<b>9,760,707</b>	<b>8,253,496</b>	<b>6,458,205</b>	<b>6,407,805</b>

### Appendix 3 – Driving Change Savings

<b>Planned savings as per February 2023 budget report</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Recover administration costs on specific grants where grant conditions allow	- 50,000				
Accommodation savings from continued delivery of approved asset strategy - reducing office and service accommodation requirements through hybrid working and developing multi-use assets	- 465,000	- 35,000	- 35,000		
Review Library service provision	- 200,000				
Introduce a means test for discretionary adult social services currently provided free of charge.	- 125,000				
Adult Social Care funding efficiencies	- 117,000				
Children in Care placement efficiencies through developing more in-house provision	- 300,000				
Review of Youth and Community Centres and provision at various locations around the Borough	- 197,000				
Reduce the number of buildings used for delivering family hubs services from 12 to 8; and apply alternative funding sources to support service delivery.	- 16,000				
Review and consult on potential changes to the current policy on non-statutory SEN transport for early years children and post 16 young people.	- 66,000				
Seek to reduce costs for home to school transport by reducing out of borough placement numbers and single pupil taxi routes as appropriate.	- 132,000				
Climate change invest to save activities to mitigate energy costs through targeted intervention measures	- 75,000	- 75,000	- 75,000		
Environmental services - additional income generation via sponsorship, grant, and increased usage		130,000			
Savings on strategic contracts	- 50,000				
Environment Service Review - non-pay savings	- 125,000				
Reduce work mobile phone handset contract and identify savings in Wide Area Network provision following building reductions	- 100,000				
Review discretionary business rates relief top up paid to some organisations	17,000	- 17,000	- 18,000		

<b>Additional Savings Proposals</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Corporate Wide – Council wide management of vacancies, overtime and agency spend	-2,000,000				
Corporate Wide – Internal service reviews to consolidate teams or services where there may be similarities or synergies in terms of function/offer	- 520,000				
Additional income derived from Fees and Charges proposals	- 960,000	- 460,000	- 120,000	- 120,000	- 120,000
Museums – review opportunities at Kirkleatham Museum, including considering peak times, optimising opening hours and long-term potential for exploring Trust models	- 75,000				
Review offer provided by community development and health improvement service	- 230,000				
Review the support provided for smoking cessation – external contract in place	- 200,000				
Dunsdale Waste Recycling Centre – Optimise opening hours, reviewing peak times, booking utilisations and seasonal opening hours	- 40,000				
Review of funding arrangements for the Planning, Development & Housing Strategy team	- 200,000				
Develop borough-wide Car-Parking Strategy	- 150,000				
Strategic Assets review – full review of council owned land and assets		TBC			
Change to capital financing costs by review of council's Minimum Revenue Provision policy	-1,113,000				
Review Council wide spend on external print and design	- 45,000				
Explore options for Revenues and Benefits contract post May 2025 (options appraisal from May 2025 contract break option)		- 150,000			
Review of member support	- 40,000				
<b>Grand Total</b>	<b>-7,574,000</b>	<b>- 607,000</b>	<b>- 248,000</b>	<b>- 120,000</b>	<b>- 120,000</b>

## Appendix 4 – General Reserves Level

Risk Category	Risk Rating	2024/25 £
<b>5% of 2024/25 Net Budget - (for reference)</b>	<i>n/a</i>	<b>6,626,000</b>
<b>Inflation</b>		
Pay award	medium	1,000,000
Non Pay Inflation	medium	1,400,000
Income Inflation	low	300,000
		<b>2,700,000</b>
<b>Investment &amp; Borrowing Interest</b>		
Interest earned on investments	low	200,000
Interest paid on borrowing	low	200,000
		<b>400,000</b>
<b>Capital Resourcing &amp; Financing</b>		
Delay in receipt of capital funding	medium	45,000
Cost pressures in the capital programme	low	0
		<b>45,000</b>
<b>Service Pressures</b>		
Demographics	high	1,600,000
		<b>1,600,000</b>
<b>Efficiency Savings</b>		
Driving Change Efficiency Programme	medium	<b>375,000</b>
<b>Revenue Funding Changes</b>		
Government Grants	low	387,500
Business Rates income	medium	95,500
Council Tax income	medium	372,000
		<b>855,000</b>
<b>Specific Provisions</b>		
Court & Complex Legal costs	low	250,000
		<b>250,000</b>
<b>Emergency Planning</b>		
Bellwin threshold & limits		<b>250,000</b>
<b>5% Reserve Floor - top up or balance down</b>		<b>151,000</b>
<b>TOTAL</b>		<b>6,626,000</b>

<b>COUNCIL TAX &amp; ADULT SOCIAL CARE PRECEPT</b>	4.99%	4.99%	4.99%	4.99%	4.99%
<b>Council Tax</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Council Tax Base (Band D Equivalent)	40,706.20	41,132.00	41,709.70	41,955.20	42,200.70
Council Tax Volume Growth/Decline	425.80	577.70	245.50	245.50	245.50
	<b>41,132.00</b>	<b>41,709.70</b>	<b>41,955.20</b>	<b>42,200.70</b>	<b>42,446.20</b>
Band D Equivalent Base Price - Council Tax	1,561.86	1,615.95	1,691.75	1,771.33	1,854.88
Band D Equivalent Base Price - ASCP	247.59	283.77	302.77	322.71	343.65
	<b>1,809.45</b>	<b>1,899.72</b>	<b>1,994.52</b>	<b>2,094.04</b>	<b>2,198.54</b>
Price Increase	90.27	94.80	99.53	104.49	109.71
	<b>1,899.72</b>	<b>1,994.52</b>	<b>2,094.04</b>	<b>2,198.54</b>	<b>2,308.24</b>
Council Tax Proportion	1,615.95	1,691.75	1,771.33	1,854.88	1,942.60
Adult Social Care Proportion	283.77	302.77	322.71	343.65	365.64
Council Tax Income	66,467,255	70,562,336	74,316,505	78,277,332	82,456,152
Adult Social Care Precept Income	11,672,028	12,628,329	13,539,462	14,502,388	15,519,949
<b>Recurring Income Total</b>	<b>78,139,283</b>	<b>83,190,665</b>	<b>87,855,967</b>	<b>92,779,720</b>	<b>97,976,101</b>
Collection Fund - Estimate (One-Off)	- 862,127 -	500,000	0	0	0
Collection Fund - Estimate 20/21 (spread 3 years)	0	0	0	0	0
Reserve Drawdown - Funding for Council Tax Deficit					
<b>Total Council Tax Income</b>	<b>77,277,156</b>	<b>82,690,665</b>	<b>87,855,967</b>	<b>92,779,720</b>	<b>97,976,101</b>
<b>Council Tax/ASCP Breakdown</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Base Amount	73,655,834	78,139,283	83,190,665	87,855,967	92,779,720
Volume Increase	808,901	1,152,232	514,087	539,740	566,673
Price Increase	3,674,549	3,899,150	4,151,214	4,384,013	4,629,708



**CALCULATION OF THE COUNCIL TAX (EXCLUDING PARISH PRECEPTS)**

This Appendix informs Members of the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011 to enable Council to approve the level of council tax for 2024/25. The calculation of the level of council tax for 2024/25 is in accordance with statutory requirements.

The 2024/25 revenue budget requirement for Redcar and Cleveland Borough Council is £132,518,539 and how this is funded is set out in the table below. Full details of the budget requirement and the rationale behind it are set out in the covering report.

The table also illustrates that the budget requirement will lead to a 4.99% increase in council tax levels for the Council to £1,899.72 for a Band D property. The council tax base for 2024/25 was approved by Cabinet on 5 December 2023 in line also with statutory timescales.

<b>Revenue Budget Requirement 2024/25</b>		
	£	£
Redcar & Cleveland Revenue Budget		132,518,539
Less : Revenue Support Grant (RSG)	(9,288,088)	
Business Rates Baseline	(45,892,385)	
Total Formula Grant	(55,180,473)	
Less : Collection Fund Deficit - Council Tax	862,127	
Less : Collection Fund Deficit - Business Rates	(60,910)	
Less: Use of Collection Fund Reserves	0	(54,379,256)
<b>Net Budget</b>		<b>78,139,283</b>
Divided by Net Taxbase		41,132.00
Billing Authority Council Tax		
Total Council Tax Band D 2024/25 (Including Adult Social Care Precept)		1,899.72
Total Council Tax Band D 2023/24 (Including Adult Social Care Precept)		1,809.45
Change £		90.27
Change %		4.99

**Calculation of the Council Tax Requirement**

In order to determine the council tax requirement, the total budget requirement needs to be reduced by the amount of formula grant funding and collection fund surplus/deficits. Below is a breakdown of the formula grant funding allocated to Redcar & Cleveland Borough Council for 2024/25:

<b>2024/25 Formula Grant</b>	
	£
Revenue Support Grant (RSG)	9,288,088
Business Rates Baseline Funding Level (BFL)	39,198,768
Confirmed Deficit against baseline	(836,545)
Section 31 Grant (adjusted for compensation against Baseline)	7,530,162
<b>Total Formula Grant</b>	<b>55,180,473</b>

### Surplus/Deficit on the Collection Fund

The Council is required under statutory regulation to maintain a separate account, known as the Collection Fund, in which it records all local tax payments for council tax purposes. The estimated balance on this fund has to be calculated on or before the 15 January (for council tax) and 31 January for business rates each year, for use in the calculation of the council tax requirement.

Any surplus or deficit is apportioned between the Council and its precepting bodies as follows:

<b>Collection Fund Surplus/(Deficit) 2023/24</b>	
	£
Estimated Council Tax Deficit	-1,040,609
RCBC element	-862,127
Police and Crime Commissioner for Cleveland element	-137,424
Cleveland Fire Authority element	-41,058
Estimated Business Rates Deficit	124,306
RCBC element	60,910
Central Government element	62,153
Cleveland Fire Authority element	1,243
<b>Total RCBC Collection Fund Deficit 2023/24</b>	<b>-801,217</b>

The calculation of Redcar & Cleveland's council tax requirement is shown in the table below.

<b>Council Tax Requirement 2024/25</b>		
	£	£
Total Budget Requirement		132,518,539
Less: Revenue Support Grant	(9,288,088)	
Business Rates Income	(45,892,385)	
Total Formula Grant	(55,180,473)	
Less: Collection Fund Deficit and Collection Fund Reserves	801,217	(54,379,256)
<b>Redcar &amp; Cleveland Council Tax Requirement</b>		<b>78,139,283</b>

### Council Tax Base

The council tax base is an essential component of the calculation for council tax amounts and must be calculated and approved by Cabinet between 1 December and 15 January. Cabinet agreed its council tax base at its meeting on 5 December 2023. The table below provides an analysis of the council tax base for the Borough by area.

Council Tax Base by Area	Gross	Net
Guisborough	9,041.00	6,937.30
Lockwood	1,705.00	952.10
Loftus	3,931.00	2,153.30
Saltburn, Marske & New Marske	9,157.00	6,358.30
Skelton & Brotton	6,114.00	3,879.50
Total Parishes	29,948.00	20,280.50
Non Parished Areas	36,275.00	20,851.50
<b>Borough Total</b>	<b>66,223.00</b>	<b>41,132.00</b>

### Calculation of Council Tax amounts

Section 34 of the Local Government Finance Act 1992 sets out the calculation for the basic amount of council tax in any area where a special item applies by firstly calculating the council tax for those areas not affected as:

$$B - \frac{A}{T} \text{ where:}$$

- B is the basic amount of council tax.  
A is the aggregate of all special items  
T is the net council tax base.

Therefore, the calculation is:

Basic Amount of Council Tax with No Special Items	
Basic Amount of Council Tax	£ 78,139,283
Less : Special items	0
Divided by : Net Council Tax Base	41,132.0
	1,899.72
Basic Amount of Council Tax with No Special Items	78,139,283

Section 30(2)(a) of the Local Government Finance Act 1992 requires an amount of council tax to be set for each category of dwelling in its area. This is the basic amount of council tax for each area, multiplied by the ratio of each band, to the Band D equivalent, using the following:

Band	A	B	C	D	E	F	G	H
Ratio	6	7	8	9	11	13	15	18

For example: council tax for band A is  $\frac{6}{9}$  of the basic amount, and for band H is  $\frac{18}{9}$  of a Band D equivalent property.

The table below sets out the council tax for the billing authority area for each of the bands A – H. These are the final values that will be collected and retained by the Council to finance its own budget requirement.

Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Non-Parish	1,266.48	1,477.56	1,688.64	<b>1,899.72</b>	2,321.88	2,744.04	3,166.20	3,799.44

## BUSINESS RATE POSITION

	2024/25	2025/26	2026/27	2027/28	2028/29
Government Target	24,682,558	24,965,084	25,464,385	25,973,673	26,493,146
Less Section 31 Grant (Included in Baseline)	2,848,385	2,905,353	1,656,262	1,676,152	1,697,708
<b>Revised Government Target</b>	<b>21,834,173</b>	<b>22,059,731</b>	<b>23,808,123</b>	<b>24,297,520</b>	<b>24,795,439</b>
Confirmed Deficit/Surplus	-1,123,195	806,578	1,520,139	1,338,185	1,174,699
<b>Non-Domestic Rating Income</b>	<b>20,710,978</b>	<b>22,866,309</b>	<b>25,328,262</b>	<b>25,635,705</b>	<b>25,970,138</b>
Section 31 Grant (Included in Baseline)	2,848,385	2,905,353	1,656,262	1,676,152	1,697,708
Section 31 Grant (Multiplier Cap)	7,530,162	8,419,458	9,893,691	10,456,037	10,992,268
Energy Disregard	286,650	292,383	298,231	304,195	311,800
<b>Collectable Rates Income</b>	<b>31,376,175</b>	<b>34,483,503</b>	<b>37,176,446</b>	<b>38,072,090</b>	<b>38,971,914</b>
Top Up Grant	14,516,210	14,797,650	15,093,603	15,395,475	15,703,385
<b>Total Income</b>	<b>45,892,385</b>	<b>49,281,153</b>	<b>52,270,049</b>	<b>53,467,565</b>	<b>54,675,298</b>
Collection Fund - Estimate	60,910	0	0	0	0
<b>Total Business Rates Income</b>	<b>45,953,295</b>	<b>49,281,153</b>	<b>52,270,049</b>	<b>53,467,565</b>	<b>54,675,298</b>

# Appendix 8b

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2024-25**  
 Please e-mail with certification to: [nndr.statistics@levellingup.gov.uk](mailto:nndr.statistics@levellingup.gov.uk) by no later than 31 January 2024.  
**All figures must be entered in whole £**  
 If you are content with your answers please return this form to DLUHC as soon as possible

Select your local authority's name from this list:

Redbridge
<b>Redcar and Cleveland UA</b>
Redditch
Reigate and Banstead
Ribble Valley
Richmond upon Thames

Authority Name	Redcar and Cleveland UA
E-code	E0703
Local authority contact name	Allison Phillips
Local authority contact number	01642 444316
Local authority e-mail address	allison.phillips@redcar-cleveland.gov.uk

Ver 1.1

**PART 1A: NON-DOMESTIC RATING INCOME**  
 This section of the form uses entries from other parts to calculate the forecast net business rates income for the authority in 2024-25. Note that you still need to enter data for line 5 and line 9a, but otherwise it is all calculated. Also please note that Parts 1B and 1C are below.

<b>COLLECTABLE RATES (See Note A)</b>	£	<b>FOR INFORMATION: Breakdown of Collectable Rates</b>	
1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments	43,308,990	Gross rates payable in year	58,987,261 Part 2, Line 5
<b>TRANSITIONAL PROTECTION PAYMENTS</b>		Cost of mandatory relief	-9,990,412 Part 2, Line 18 + Part 2, Li
2. Sums due to the authority	1,398,295	Cost of discretionary relief	-2,811,594 Part 2, Line 35 + Part 2, Li
3. Sums due from the authority	0	Cost of transitional arrangements	-1,398,295 Part 2, Line 8
<b>COST OF COLLECTION (See Note B)</b>		Cost of accounting adjustments for losses on collection	0 Part 3, Line 2
4. Cost of collection formula	165,081	Cost of accounting adjustments for addition to appeals provision	-1,477,970 Part 3, Line 3
5. Legal costs	0	<b>Collectable Rates</b>	<b>43,308,990 Part 1, Line 1</b>
6. Allowance for cost of collection	165,081		
<b>SPECIAL AUTHORITY DEDUCTIONS</b>			
7. City of London Offset : Not applicable for your authority	0		
<b>DISREGARDED AMOUNTS</b>			
8. Amounts retained in respect of Designated Areas	3,090,132		
9. Amounts retained in respect of Renewable Energy Schemes (See Note C)	286,650		
<i>of which:</i>			
9a. sums retained by billing authority	286,650		
9b. sums retained by major precepting authority	0		
10. Amounts retained in respect of Shale Oil and Gas Sites Schemes (See Note D)	0		
<b>NON-DOMESTIC RATING INCOME</b>			
11. Line 1 plus line 2, minus lines 3, 6 to 9 and 10	41,165,422		

Local Authority : Redcar and Cleveland UA

**PART 1B: PAYMENTS**

This page is for information only; please do not amend any of the figures

The payments to be made, during the course of 2024-25 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
- ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
- iii) transferred by the billing authority from its Collection Fund to its General Fund,

are set out below

	Column 1 Central Government	Column 2 Redcar and Cleveland UA	Column 3 Tees Valley Combined Authority	Column 4 Cleveland Fire Authority	Column 5 Total
<b>Retained NNDR shares</b>					
12. % of non-domestic rating income to be allocated to each authority in 2024-25	£ 50%	£ 49%	£ 0%	£ 1%	£ 100%
<b>Non-Domestic Rating Income for 2024-25</b>					
13. Non-domestic rating income from rates retention scheme	20,582,711	20,171,057	0	411,654	41,165,422
14. (less) deductions from central share	0				0
15 <b>TOTAL:</b>	20,582,711	20,171,057	0	411,654	41,165,422
<b>Other Income for 2024-25</b>					
16. add: cost of collection allowance		165,081			165,081
17. add: amounts retained in respect of Designated Areas		2,550,212	539,921		3,090,132
18. add: amounts retained in respect of renewable energy schemes		286,650	0		286,650
19. add: amounts retained in respect of Shale oil and gas sites schemes		0	0	0	0
20. add: qualifying relief in Designated Areas		0	0	0	0
21. add: City of London Offset		0			0
22. add: in respect of Port of Bristol hereditament		0			0
<b>Estimated Surplus/Deficit on Collection Fund</b>					
23. Surplus/Deficit at end of 2023-24 (+ve = surplus, -ve = deficit)	£ 62,154	£ 60,910	£ 0	£ 1,243	£ 124,307
<b>TOTAL FOR THE YEAR</b>					
24. Total amount due to authorities	£ 20,644,865	£ 23,233,910	£ 539,921	£ 412,897	£ 44,831,592

Local Authority : Redcar and Cleveland UA

**PART 1C: SECTION 31 GRANT (See Note E)**

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 and 2022 to 2023 Autumn Statements, 2020 and 2021 spending reviews, and 2017 (March and November), 2018 (October) and 2021 (October) Budgets

Small Business Rates Multiplier Adjustment Factor: 1.248  
Supplementary Multiplier Adjustment Factor: 1.167

	Column 2 Redcar and Cleveland UA	Column 3 Tees Valley Combined Authority	Column 4 Cleveland Fire Authority	Column 5 Total
<b>Multiplier Cap</b>				
25. Cost of cap on 2014-15, 2015-16 and post-2018-19 and freezing of 2021-22, 2022-23, 2023-24 small business rates and standard business rates multipliers and the 2024-25 small business rates multiplier - Loss of net rates income	£ 4,139,799	£ 108,260	£ 74,651	£ 4,322,710
26. Cost of cap on 2014-15, 2015-16 and post-2018-19 and freezing of 2021-22, 2022-23, 2023-24 small business rates and standard business rates multipliers and the 2024-25 small business rates multiplier - Uprating to grants in respect of Section 31 funded reliefs	666,506	0	12,858	679,364
27. Total compensation for cost of cap on 2014-15, 2015-16 and post-2018-19 and freezing of 2021-22, 2022-23, 2023-24 small business rates and standard business rates multipliers and the 2024-25 small business rates multiplier	4,806,305	108,260	87,509	5,002,074
<b>Small Business Rate Relief</b>				
28. Cost of doubling SBRR & threshold changes for 2024-25	1,493,557	0	28,278	1,521,835
28a. Additional compensation for loss of supplementary multiplier income	62,278	0	1,271	63,549
29. Cost to authorities of maintaining relief on "first" property	0	0	0	0
<b>Rural Rate Relief</b>				
30. Cost to authorities of providing 100% rural rate relief	601	0	12	613
<b>Supporting Small Business Scheme</b>				
31. Cost to authorities of providing relief	177,811	0	3,024	180,835
<b>Designated Areas qualifying relief in 100% business rates retention areas</b>				
32. Cost to authorities of providing relief	0	0	0	0
<b>Local newspaper relief</b>				
33. Cost to authorities of providing relief	0	0	0	0
<b>Public lavatories relief</b>				
34. Cost to authorities of providing relief	8,482	0	173	8,655
<b>Retail, Hospitality and Leisure relief</b>				
35. Cost to authorities of providing relief	1,105,656	0	22,377	1,128,033
<b>Freeports relief</b>				
36. Cost to authorities of providing relief	0	0	0	0
<b>Investment Zones relief</b>				
37. Cost to authorities of providing relief	0	0	0	0
<b>Low-carbon heat networks relief</b>				
38. Cost to authorities of providing relief	0	0	0	0
<b>TOTAL FOR THE YEAR</b>				
39. Amount of Section 31 grant due to authorities to compensate for reliefs	£ 7,654,690	£ 108,260	£ 142,644	£ 7,905,594

**NB** To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 39, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 39)

Local Authority : Redcar and Cleveland UA

**PART 2: RELIEFS AND NET RATES PAYABLE (See Note F)**

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2024-25. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

Please Select:

Some authorities may be unable to provide data on reliefs disaggregated by the multiplier applied to hereditaments. Please indicate if you are able to provide this data.

Yes - able to provide disaggregated data

You should complete columns 1, 2, 4 & 5

	Column 1 Hereditaments using the small business rating multiplier			Column 4 Hereditaments using the standard multiplier			Column 7 GRAND TOTAL
	BA Area (exc. Designated areas). Complete this column	Designated areas Complete this column	TOTAL (All BA Area) Do not complete this column	BA Area (exc. Designated areas). Complete this column	Designated areas Complete this column	TOTAL (All BA Area) Do not complete this column	
	£	£	£	£	£	£	£
<b>GROSS RATES PAYABLE</b> (All data should be entered as +ve unless specified otherwise) - See Note G							
1. Rateable Value at 31/12/2023	30,266,140	1,271,406	31,537,546	55,935,500	23,277,000	79,212,500	110,750,046
2. Multiplier for 2024-25 (pence)	49.9		54.6				
3. Gross rates 2024-25 (RV x multiplier)	15,102,804	634,432		30,540,783	12,709,242		58,987,261
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	0	0		0	0		0
5. Forecast gross rates payable in 2024-25	15,102,804	634,432	15,737,236	30,540,783	12,709,242	43,250,025	58,987,261

You should complete columns 1, 2, 4 & 5

	Column 1 Hereditaments using the small multiplier			Column 4 Hereditaments using the standard multiplier			Column 7 GRAND TOTAL
	BA Area (exc. Designated areas). Complete this column	Designated areas Complete this column	TOTAL (All BA Area) Do not complete this column	BA Area (exc. Designated areas). Complete this column	Designated areas Complete this column	TOTAL (All BA Area) Do not complete this column	
<b>TRANSITIONAL ARRANGEMENTS (See Note H)</b>							
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	-823,349	-63,312	-886,661	-145,901	-365,733	-511,634	-1,398,295
7. Changes as a result of estimated growth / decline in cost of transitional arrangements	0	0		0	0		
<b>TRANSITIONAL PROTECTION PAYMENTS</b>							
8. Sum due to/(from) authority	823,349	63,312	886,661	145,901	365,733	511,634	1,398,295
<b>MANDATORY RELIEFS (See Note I) (All data should be entered as -ve unless specified otherwise)</b>							
<b>Small Business Rate Relief</b>							
9. Forecast of relief to be provided in 2024-25	-4,425,317	-168,930	-4,594,247	0	0	0	-4,594,247
10. of which: relief on existing properties where a 2nd property is occupied	0	0	0	0	0	0	0
<b>Charitable occupation</b>							
11. Forecast of relief to be provided in 2024-25	-747,955	-957	-748,912	-3,262,022	0	-3,262,022	-4,010,934
<b>Community Amateur Sports Clubs (CASCs)</b>							
12. Forecast of relief to be provided in 2024-25	-65,372	-640	-66,012	0	0	0	-66,012
<b>Rural rate relief</b>							
13. Forecast of relief to be provided in 2024-25	-2,452	0	-2,452	0	0	0	-2,452
<b>Public Lavatories relief (See note J)</b>							
14. Forecast of relief to be provided in 2024-25	-17,309	0	-17,309	0	0	0	-17,309
<b>Low-carbon heat networks relief</b>							
15. Forecast of relief to be provided in 2024-25	0	0	0	0	0	0	0
16. Forecast of mandatory reliefs to be provided in 2024-25 (Sum of lines 9 to 16)	-5,258,405	-170,527	-5,428,932	-3,262,022	0	-3,262,022	-8,690,954
17. Changes as a result of estimated growth/decline in mandatory relief	0	0		0	0		
18. Total forecast mandatory reliefs to be provided in 2024-25	-5,258,405	-170,527	-5,428,932	-3,262,022	0	-3,262,022	-8,690,954

UNOCCUPIED PROPERTY (See Note K) (All data should be entered as -ve unless specified otherwise)							
<b>Partially occupied hereditaments</b>							
19. Forecast of 'relief' to be provided in 2024-25	0	0	0	0	0	0	0
<b>Empty premises</b>							
20. Forecast of 'relief' to be provided in 2024-25	-475,898	-40,338	-516,236	-362,271	-420,951	-783,222	-1,299,458
21. Forecast of unoccupied property 'relief' to be provided in 2024-25 (Line 19 + line 20)	-475,898	-40,338	-516,236	-362,271	-420,951	-783,222	-1,299,458
22. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase)	0	0	0	0	0	0	0
<b>23. Total forecast unoccupied property 'relief' to be provided in 2024-25</b>	<b>-475,898</b>	<b>-40,338</b>	<b>-516,236</b>	<b>-362,271</b>	<b>-420,951</b>	<b>-783,222</b>	<b>-1,299,458</b>
<b>DISCRETIONARY RELIEFS (See Note L) (All data should be entered as -ve unless specified otherwise)</b>							
<b>Charitable occupation</b>							
24. Forecast of relief to be provided in 2024-25	-30,751	0	-30,751	-98,144	0	-98,144	-128,895
<b>Non-profit making bodies</b>							
25. Forecast of relief to be provided in 2024-25	-49,317	0	-49,317	-52,416	0	-52,416	-101,733
<b>Community Amateur Sports Clubs (CASCs)</b>							
26. Forecast of relief to be provided in 2024-25	0	0	0	0	0	0	0
<b>Small rural businesses</b>							
27. Forecast of relief to be provided in 2024-25	-2,013	0	-2,013	0	0	0	-2,013
<b>Other ratepayers (refer to guidance for further details)</b>							
28. Forecast of relief to be provided in 2024-25	0	0	0	0	0	0	0
<i>of which:</i>	<i>of which:</i>	<i>of which:</i>		<i>of which:</i>	<i>of which:</i>		
29. Relief given to Case A hereditaments		0	0		0	0	0
30. Relief given to Case B hereditaments	0			0			
31. Relief given to Freeports (See Note M)		0	0		0	0	0
32. Relief given to Investment Zones (See Note M)	0	0	0	0	0	0	0
33. Forecast of discretionary relief to be provided in 2024-25 (Sum of lines 23 to 28)	-82,081	0	-82,081	-150,560	0	-150,560	-232,641
34. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)	0	0	0	0	0	0	0
<b>35. Total forecast discretionary relief to be provided in 2024-25</b>	<b>-82,081</b>	<b>0</b>	<b>-82,081</b>	<b>-150,560</b>	<b>0</b>	<b>-150,560</b>	<b>-232,641</b>
<b>DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT(See Note N) (All data should be entered as -ve unless specified otherwise)</b>							
<b>Supporting Small Business Scheme</b>							
36. Forecast of relief to be provided in 2024-25	-302,436	-29,617	-332,053	0	0	0	-332,053
<b>Local newspaper relief</b>							
37. Forecast of relief to be provided in 2024-25	0	0	0	0	0	0	0
<b>Retail, Hospitality and Leisure relief</b>							
38. Forecast of relief to be provided in 2024-25	-1,593,469	-9,165	-1,602,634	-644,266	0	-644,266	-2,246,900
39. Forecast of discretionary reliefs funded through S31 grant to be provided in 2024-25 (Sum of lines 37 to 39)	-1,895,905	-38,782	-1,934,687	-644,266	0	-644,266	-2,578,953
40. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)	0	0	0	0	0	0	0
<b>41. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2024-25</b>	<b>-1,895,905</b>	<b>-38,782</b>	<b>-1,934,687</b>	<b>-644,266</b>	<b>0</b>	<b>-644,266</b>	<b>-2,578,953</b>
<b>NET RATES PAYABLE</b>							
42. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	£ 6,567,166	£ 321,473	£ 6,888,639	£ 25,975,763	£ 11,922,558	£ 37,898,321	£ 44,786,960



**Local Authority : Redcar and Cleveland UA**

**PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS**

Enter accounting adjustments in this section, which calculations will deduct from the net rates calculated from entries in Part 2. You must break down estimated bad debts and repayments by hereditaments receiving the small and standard multiplier, but adjustments from line 5 onwards should reflect the total of both types of hereditament.

**You should complete columns 1 and 2**

	Column 1 BA Area (exc. Designated areas) <b>Complete this column</b>	Column 2 Designated Areas <b>Complete this column</b>	Column 3 TOTAL (All BA Area) <b>Do not complete this column</b>
	£	£	£
<b>NET RATES PAYABLE</b>			
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	32,542,929	12,244,031	44,786,960
<b>(LESS) LOSSES (Data should be entered as -ve)</b>			
2. Estimated bad debts in respect of 2024-25 rates payable	0	0	0
3. Estimated repayments in respect of 2024-25 rates payable	-1,073,917	-404,053	-1,477,970
<b>COLLECTABLE RATES</b>			
4. Net Rates payable less losses	31,469,012	11,839,978	43,308,990

	Column 1 BA Area (exc. Designated areas) <b>Complete this column</b>	Column 2 Designated Areas <b>Complete 'Part 3 DA summary' to fill this column</b>	Column 3 TOTAL (All BA Area) <b>Do not complete this column</b>
<b>DISREGARDED AMOUNTS (Data should be entered as +ve)</b>			
5. Renewable Energy (see Note B)	286,650	0	286,650
6. Shale oil and gas sites scheme (see Note C)	0	0	0
7. Transitional Protection Payment		429,045	
8. Baseline		9,178,891	
<b>DISREGARDED AMOUNTS</b>			
9. Total Disregarded Amounts		3,090,132	3,090,132

<b>DESIGNATED AREAS IN 100% BRR AUTHORITIES</b>			
10. Designated Areas Qualifying Relief: Not applicable	0	0	0
<b>DEDUCTIONS FROM CENTRAL SHARE</b>			
11. Designated Areas Qualifying Relief	0	0	0
<b>Port of Bristol</b>			
12. In respect of Port of Bristol: Not applicable	0		0
<b>DEDUCTIONS FROM CENTRAL SHARE</b>			
13. Total Deductions	0	0	0



**Local Authority : Redcar and Cleveland UA**

**PART 4: ESTIMATED COLLECTION FUND BALANCE**

This section estimates the collection fund closing balance for the current year (not the forecast year otherwise referred to in this form). Please refer to guidance notes for details. Note that you can edit the blue-bordered cells, but you will be asked to provide a comment explaining why they are changed from the prepopulated figures.

	£	£
<b>OPENING BALANCE</b>		
1. Opening Balance (From Collection Fund Statement)		-4,602,105
<b>BUSINESS RATES CREDITS AND CHARGES</b>		
2. Business rates credited and charged to the Collection Fund in 2023-24 (enter as +ve)	40,380,038	
3. Sums written off in excess of the allowance for non-collection (enter as -ve)	0	
4. Changes to the allowance for non-collection	-19,054	
5. Amounts charged against the provision for alteration of lists and appeals following RV list changes (enter as +ve)	250,338	
6. Changes to the provision for alteration of lists and appeals	-1,289,862	
<b>7. Total business rates credits and charges (Total lines 2 to 6)</b>		39,321,460
<b>OTHER RATES RETENTION SCHEME CREDITS (enter as +ve)</b>		
8. Transitional protection payments received, or to be received in 2023-24	3,782,362	
9. Transfers/payments to the Collection Fund for end-year reconciliations	0	
10. Transfers/payments into the Collection Fund in 2023-24 in respect of a previous year's deficit	3,029,610	
<b>11. Total Other Credits (Total lines 8 to 10)</b>		6,811,972
<b>OTHER RATES RETENTION SCHEME CHARGES (enter as -ve)</b>		
12. Transitional protection payments made, or to be made, in 2023-24	0	
13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2023-24	-19,476,039	
14. Payments made, or to be made to, major precepting authorities in respect of business rates income 2023-24	-389,521	
15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2023-24	-19,086,519	
16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2023-24	-2,291,221	
17. Transfers/payments from the Collection Fund for end-year reconciliations	-163,720	
18. Transfers/payments made from the Collection Fund in 2023-24 in respect of a previous year's surplus	0	
<b>19. Total Other Charges (Total lines 12 to 18)</b>		-41,407,020
<b>ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2023-24 - Surplus (positive), Deficit (Negative)</b>		
20. Opening balance plus total credits, less total charges (Total lines 1, 7, 11, 19)		£ 124,307

**APPORTIONMENT OF ESTIMATED SURPLUS / DEFICIT (See Note N)**

	Column 1 Central Government	Column 2 Redcar and Cleveland UA	Column 3	Column 4 Cleveland Fire Authority	Column 5 Total
21. % for distribution of prior year surplus/deficit (i.e. 2022-23)	50%	49%	0%	1%	100%
22. Total prior year surplus (+)/deficit (-)	-786,248	-770,523	0	-15,725	-1,572,495
23. % for distribution of in-year surplus/deficit (i.e. 2023-24)	50%	49%	0%	1%	100%
24. In year surplus (+)/deficit (-)	848,401	831,433	0	16,968	1,696,802
<b>25. Total (total lines 22 and 24)</b>	<b>62,154</b>	<b>60,910</b>	<b>0</b>	<b>1,243</b>	<b>124,307</b>

**Collection Fund 2023/24 - (Suplus) or Defict for Business Rates Income**

**Appendix 8C**

Business Rates Accounts	2023/24 £000's	2022/23 £000's
(Surplus)/Deficit Carried Forward 1st April	4,602	13,169
<u>Income</u>		
Business Rates Receivable	- 40,380	- 32,134
Refunds Written Off Against Appeals Provision	- 250	- 3,054
Contriburion From Appeals Provision		- 1,073
Transistional Protection	- 3,782	-
Appropriation of Previous Years Defict - Central Government	- 1,515	- 4,829
Appropriation of Previous Years Defict -Redcar and Cleveland	- 1,485	- 4,732
Appropriation of Previous Years Defict - Cleveland Fire Authority	- 30	- 97
<u>Expenditure</u>		
Precept Share - Central Government	19,476	17,450
Precept Share - Redcar and Cleveland	19,086	17,101
Precept Share - Cleveland Fire Authority	390	349
Transitional Surcharge		241
Contribution to Appeals Provision	1,290	-
Contributions to Bad Debt Provisiom	19	39
Cost Of Collection	164	160
Disregarded Amounts	2,291	2,012
Estimated (Surplus)/Deficit	- 124	4,602

Apportionment of Surplus/Deficit:	2023/24 £000's	2022/23 £000's
Central Government	- 62	2,301
Redcar and Cleveland Borough Council	- 61	2,255
Cleveland Fire Authority	- 1	46
Total	- 124	4,602

## Appendix 9 – Capital Investments Programme

Scheme	Revised 2023/24	Revised 2024/25	Revised 2025/26	Revised 2026/27	Revised 2027/28	Revised 2028/29	Total Budget	Cap Receipts	Prudential Borrowing	Capital Grants / Contributions / Loan Repayment	DRF	Total Funding
<b>Town Scape Investment</b>												
Public Realm	131,900	0	0	0	0	0	131,900	0	-131,400	-500	0	-131,900
Redcar Central Station	1,407,000	7,020,200	0	0	0	0	8,427,200	0	0	-8,427,200	0	-8,427,200
East Cleveland Town Centre Revival	25,650	0	0	0	0	0	25,650	0	-11,350	-14,300	0	-25,650
Saltburn Town Centre Revival	610,300	576,000	0	0	0	0	1,186,300	0	0	-1,186,300	0	-1,186,300
Loftus Future High Street	4,497,250	3,048,900	0	0	0	0	7,546,150	0	-220,000	-7,311,750	-14,400	-7,546,150
Redcar Town Deal	4,754,250	12,755,250	2,477,650	0	0	0	19,987,150	0	0	-19,987,150	0	-19,987,150
LUF Connecting People and Place	573,850	13,409,400	5,743,750	0	0	0	19,727,000	0	0	-19,727,000	0	-19,727,000
LUF Eston	731,800	6,406,250	8,565,800	0	0	0	15,703,850	0	0	-15,703,850	0	-15,703,850
Levelling Up Partnership	8,763,250	4,613,750	0	0	0	0	13,377,000	0	0	-13,377,000	0	-13,377,000
Boroughwide High Street Support	18,950	0	0	0	0	0	18,950	0	0	-18,950	0	-18,950
Parks & Play Equipment	73,500	200,000	100,000	100,000	100,000	100,000	673,500	0	-673,500	0	0	-673,500
Levelling Up Parks Improvement	61,700	0	0	0	0	0	61,700	0	0	-61,700	0	-61,700
Kingsley Field	28,000	27,350	0	0	0	0	55,350	0	0	-55,350	0	-55,350
Skinningrove Coastal Protection	0	56,800	0	0	0	0	56,800	0	0	-56,800	0	-56,800
<b>SUB-TOTAL EXPENDITURE</b>	<b>21,677,400</b>	<b>48,113,900</b>	<b>16,887,200</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>86,978,500</b>	<b>0</b>	<b>-1,036,250</b>	<b>-85,927,850</b>	<b>-14,400</b>	<b>-86,978,500</b>
<b>Visitor Attractions &amp; Amenities</b>												
Welcome to Redcar & Cleveland Grants	3,000	0	0	0	0	0	3,000	0	0	-3,000	0	-3,000
Cleveland Ironstone Mining Museum	194,750	0	0	0	0	0	194,750	0	0	-194,750	0	-194,750
Regent Cinema Development	7,000	0	0	0	0	0	7,000	0	0	-7,000	0	-7,000
Guisborough Town Hall Gateway Project	459,400	153,150	0	0	0	0	612,550	0	0	-612,550	0	-612,550
Eston Sports Village	2,863,300	6,422,250	9,156,800	0	0	0	18,442,350	0	-11,543,600	-6,898,750	0	-18,442,350
Kirkleatham Future Development	0	228,250	0	0	0	0	228,250	0	0	-228,250	0	-228,250
<b>SUB-TOTAL EXPENDITURE</b>	<b>3,527,450</b>	<b>6,803,650</b>	<b>9,156,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,487,900</b>	<b>0</b>	<b>-11,543,600</b>	<b>-7,944,300</b>	<b>0</b>	<b>-19,487,900</b>
<b>Business Infrastructure</b>												
Coatham Leisure - Phase 1	1,136,600	0	0	0	0	0	1,136,600	0	0	-1,136,600	0	-1,136,600
Industrial Estates Programme	303,450	3,502,950	0	0	0	0	3,806,400	0	0	-3,806,400	0	-3,806,400
<b>SUB-TOTAL EXPENDITURE</b>	<b>1,440,050</b>	<b>3,502,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,943,000</b>	<b>0</b>	<b>0</b>	<b>-4,943,000</b>	<b>0</b>	<b>-4,943,000</b>
<b>Transport Infrastructure</b>												
Highways Block Allocation - City Regional Sustainable Transport Settlement Allocation	3,460,300	3,311,850	3,419,400	3,419,400	3,419,400	3,419,400	20,449,750	0	0	-20,449,750	0	-20,449,750
Environmental Assets	633,500	2,207,500	2,320,000	1,832,650	0	0	6,993,650	0	-6,561,650	-432,000	0	-6,993,650
Eston to South Bank Cycleway	371,550	0	0	0	0	0	371,550	0	0	-371,550	0	-371,550
Swans Corner & Flatts Lane Traffic Improvements	38,750	0	0	0	0	0	38,750	0	-38,750	0	0	-38,750
<b>SUB-TOTAL EXPENDITURE</b>	<b>4,504,100</b>	<b>5,519,350</b>	<b>5,739,400</b>	<b>5,252,050</b>	<b>3,419,400</b>	<b>3,419,400</b>	<b>27,853,700</b>	<b>0</b>	<b>-6,600,400</b>	<b>-21,253,300</b>	<b>0</b>	<b>-27,853,700</b>

Scheme	Revised 2023/24	Revised 2024/25	Revised 2025/26	Revised 2026/27	Revised 2027/28	Revised 2028/29	Total Budget	Cap Receipts	Prudential Borrowing	Capital Grants / Contributions / Loan Repayment	DRF	Total Funding
<b>Housing</b>												
Local Authority Housing Fund	702,000	0	0	0	0	0	702,000	0	0	-702,000	0	-702,000
<b>SUB-TOTAL EXPENDITURE</b>	<b>702,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>702,000</b>	<b>0</b>	<b>0</b>	<b>-702,000</b>	<b>0</b>	<b>-702,000</b>
<b>Supported Housing</b>												
CSDP Adaptations	121,000	140,000	140,000	140,000	140,000	140,000	821,000	0	0	-821,000	0	-821,000
Aids & Adaptations	600,000	600,000	500,000	300,000	300,000	300,000	2,600,000	0	0	-2,600,000	0	-2,600,000
Intermediate Care Centre	7,450	0	0	0	0	0	7,450	0	0	-7,450	0	-7,450
Disabled Facilities Grant	1,977,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	10,227,000	0	0	-10,227,000	0	-10,227,000
<b>SUB-TOTAL EXPENDITURE</b>	<b>2,705,450</b>	<b>2,390,000</b>	<b>2,290,000</b>	<b>2,090,000</b>	<b>2,090,000</b>	<b>2,090,000</b>	<b>13,655,450</b>	<b>0</b>	<b>0</b>	<b>-13,655,450</b>	<b>0</b>	<b>-13,655,450</b>
<b>Community Capacity</b>												
Grassroots Sport	50,000	450,000	0	0	0	0	500,000	0	-500,000	0	0	-500,000
Investment in Leisure Centres	425,800	18,350	0	0	515,000	0	959,150	0	-959,150	0	0	-959,150
<b>SUB-TOTAL EXPENDITURE</b>	<b>475,800</b>	<b>468,350</b>	<b>0</b>	<b>0</b>	<b>515,000</b>	<b>0</b>	<b>1,459,150</b>	<b>0</b>	<b>-1,459,150</b>	<b>0</b>	<b>0</b>	<b>-1,459,150</b>
<b>Recycling &amp; Waste Initiatives</b>												
Recycling Initiatives	150,450	195,000	0	0	0	0	345,450	0	-345,450	0	0	-345,450
Purchase of Refuse Bins	100,000	100,000	100,000	100,000	100,000	100,000	600,000	0	-600,000	0	0	-600,000
Procurement of Waste Facility	22,700	0	0	0	0	0	22,700	0	-22,700	0	0	-22,700
Waste Management Infrastructure	0	350,000	0	0	0	0	350,000	0	-350,000	0	0	-350,000
<b>SUB-TOTAL EXPENDITURE</b>	<b>273,150</b>	<b>645,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>1,318,150</b>	<b>0</b>	<b>-1,318,150</b>	<b>0</b>	<b>0</b>	<b>-1,318,150</b>
<b>Education</b>												
School Estate Investment	2,166,600	4,654,100	150,000	100,000	100,000	100,000	7,270,700	0	0	-7,270,700	0	-7,270,700
Devolved Formula Capital at LEA Level	69,650	64,500	64,500	64,500	64,500	64,500	392,150	0	0	-392,150	0	-392,150
Kirkleatham School Expansion	418,200	0	0	0	0	0	418,200	0	0	-418,200	0	-418,200
A Special Free School for the Tees Valley in Grangetown	0	245,000	0	0	0	0	245,000	0	0	-241,500	-3,500	-245,000
The Ridings - Renovation	432,450	0	0	0	0	0	432,450	0	-432,450	0	0	-432,450
<b>SUB-TOTAL EXPENDITURE</b>	<b>3,086,900</b>	<b>4,963,600</b>	<b>214,500</b>	<b>164,500</b>	<b>164,500</b>	<b>164,500</b>	<b>8,758,500</b>	<b>0</b>	<b>-432,450</b>	<b>-8,322,550</b>	<b>-3,500</b>	<b>-8,758,500</b>
<b>Council Investments</b>												
Business Premises Improvements	24,000	376,000	150,000	150,000	150,000	150,000	1,000,000	0	-1,000,000	0	0	-1,000,000
Purchase of Vehicles (Fleet Replacement)	2,633,500	3,028,250	2,000,000	2,000,000	2,000,000	2,000,000	13,661,750	-1,500,000	-12,161,750	0	0	-13,661,750
Climate Strategy	758,100	422,250	200,000	200,000	200,000	200,000	1,980,350	0	-1,341,050	-639,300	0	-1,980,350
Tree Safety Strategy	0	250,000	0	0	0	0	250,000	0	-250,000	0	0	-250,000
Information Technology Improvement Projects	1,368,750	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,368,750	0	-6,368,750	0	0	-6,368,750
PFI Lifecycle Costs	495,450	753,750	864,150	896,150	481,400	432,700	3,923,600	0	-3,923,600	0	0	-3,923,600
Changing Places	444,600	0	0	0	0	0	444,600	0	0	-444,600	0	-444,600
Asset Management - Capitalised Repairs	1,030,400	524,250	500,000	500,000	500,000	500,000	3,554,650	0	-3,554,650	0	0	-3,554,650
<b>SUB-TOTAL EXPENDITURE</b>	<b>6,754,800</b>	<b>6,354,500</b>	<b>4,714,150</b>	<b>4,746,150</b>	<b>4,331,400</b>	<b>4,282,700</b>	<b>31,183,700</b>	<b>-1,500,000</b>	<b>-28,599,800</b>	<b>-1,083,900</b>	<b>0</b>	<b>-31,183,700</b>
<b>TOTAL EXPENDITURE</b>	<b>45,147,100</b>	<b>78,761,300</b>	<b>39,102,050</b>	<b>12,452,700</b>	<b>10,720,300</b>	<b>10,156,600</b>	<b>196,340,050</b>	<b>-1,500,000</b>	<b>-50,989,800</b>	<b>-143,832,350</b>	<b>-17,900</b>	<b>-196,340,050</b>

**REDCAR & CLEVELAND BOROUGH COUNCIL**  
**CAPITAL AND INVESTMENT STRATEGY REPORT 2024/25**

## **INTRODUCTION**

The Capital Strategy provides a high-level overview of how capital expenditure, capital financing and treasury management underpin the provision of local services in Redcar & Cleveland. The Strategy also provides an overview of how any associated risk is managed and the implications for future financial sustainability.

Decisions made on capital and treasury management will have financial consequences for the Council for many years in the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

The areas covered in the strategy are as follows:

- Capital expenditure.
- Borrowing (including comparison with capital financing requirement and liability benchmark).
- Private Finance Initiatives (PFI) and leasing liabilities.
- Minimum revenue provision.
- Investments (treasury).
- Investments (service and commercial).
- Guarantees and loan commitments.
- Knowledge and skills.

## **CAPITAL EXPENDITURE AND FINANCING**

Capital expenditure is incurred where the Council spends money on non-current assets such as:

- property,
- plant,
- equipment,
- vehicles,
- infrastructure,
- intangible assets,
- loans to third parties, and
- shareholdings.

These assets will be used (or will exist) for more than one year. In local government, capital expenditure also includes spending on assets owned by other organisations; and loans and grants to other bodies enabling them to buy assets.

The Council applies a de-minimus level for the recognition of expenditure on the acquisition, creation, or enhancement of capital assets.

The Council has an approved six-year Capital Investment Programme covering the medium-term until financial year 2028/29. An extract of this is summarised in the table below:

**Table 1: Prudential Indicator: Estimates of Capital Expenditure and Financing**

	2022/23 Actual * £m	2023/24 Forecast £m	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	Total Budget 2023-27 £m
General Fund Services	36.289	45.147	78.761	39.102	12.453	175.463
Capital Investments	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>36.289</b>	<b>45.147</b>	<b>78.761</b>	<b>39.102</b>	<b>12.453</b>	<b>175.463</b>
Capital Receipts	- 0.655	- 0.250	- 0.250	- 0.250	- 0.250	-1.000
Prudential Borrowing	- 6.662	- 7.374	- 11.917	- 16.141	- 6.529	-41.961
Direct Revenue Financing	- 0.103	- 0.014	- 0.003	-	-	-0.017
Grants	- 29.265	- 37.509	- 66.591	- 22.711	- 5.674	-132.485
<b>Total</b>	<b>- 36.685</b>	<b>- 45.147</b>	<b>- 78.761</b>	<b>- 39.102</b>	<b>- 12.453</b>	<b>-175.463</b>

\*2022/23 figures shown for information only and are not included in the Total Budget.

Capital expenditure for future years may increase due to updates to the Capital Investment Programme and a change in the accounting policy for leases and the Private Finance Initiative (IFRS16) which will impact in 2024/25 (which will result in additional expenditure being capitalised as the associated assets and liabilities are brought on balance sheet). The impact of IFRS16 is yet to be quantified but it is assumed that the change will not be material.

All capital expenditure will be financed from external sources (government grants and other contributions), the Council's own resources (revenue contributions, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiatives).

Debt is a temporary source of finance which must ultimately be repaid or re-financed, and this repayment is mainly funded over time by setting aside revenue expenditure known as the Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. The Council however only uses capital receipts to finance new debt. The Council's full MRP statement is set out in APPENDIX D, and the planned level of MRP charged to the Council's Revenue Budget and the projected use of capital receipts are summarised as follows:

**Table 2: Replacement of prior years' debt finance**

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
Capital resources	0	0	0	0	0
Revenue resources (MRP)	5.886	5.254	5.726	6.589	7.253
<b>TOTAL</b>	<b>5.886</b>	<b>5.254</b>	<b>5.726</b>	<b>6.589</b>	<b>7.253</b>

A key objective of the Capital Investment Programme is to boost economic growth across the Borough. The Programme has close synergies to the strategic objectives of the Tees Valley Combined Authority and the South Tees Development Corporation.

The Capital Investment Programme is managed on a rolling medium-term basis. There are key elements to the Programme that were agreed by Council, which contained an on-going rolling programme of investments in the Council's infrastructure alongside a range of one-off investments to stimulate sustainable growth.

The key elements of the Capital Investment Programme include:

- Significant investment in our towns will take place, including through the Redcar Town Fund, Levelling Up Fund for Connecting People and Places and Eston, Levelling Up Partnership and Loftus Future High Streets Fund.



- Our cultural and visitor offer will be improved through schemes like Guisborough town hall and Eston Sports Village.
- Investment is also planned to support business growth, with our industrial estates programme creating the infrastructure needed.
- Further investment in our school estate is planned, expanding existing school provision, and creating new provision, to meet the educational needs of our young people.
- The infrastructure requirements for service delivery including upgrading our IT, assets and fleet are provided for.
- On-going investment is also planned in the borough's transport infrastructure, including the road network and repair and maintenance of highways assets.
- In meeting residents' needs there is on-going investment in disabled facilities and adaptations to allow people to live more independently in their own homes.
- On-going investment in the planned maintenance of our buildings includes provision to make them more energy efficient as we undertake these works.

The Council is required to measure the cumulative amount of debt finance through an indicator known as the Capital Financing Requirement (CFR). This is revised on an annual basis when new debt-financed capital expenditure is incurred; and reduces with annual contributions from MRP (which are funded by the Council's revenue budget) and capital receipts. The CFR is expected to increase during 2024/25 to reflect the Council's capital plans. Based on the Capital Investment Programme for expenditure and financing, the Council's estimated CFR is as follows:

**Table 3: Prudential Indicator: Estimates of Capital Financing Requirement**

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
CFR - General Fund	207.192	210.340	217.627	228.323	228.796
CFR - PFI/leases	59.073	58.044	56.949	55.804	54.607
<b>Total CFR for Year</b>	<b>266.265</b>	<b>268.385</b>	<b>274.575</b>	<b>284.127</b>	<b>283.403</b>
<b>Net Movement in CFR</b>	<b>0.578</b>	<b>2.120</b>	<b>6.191</b>	<b>9.552</b>	<b>-0.724</b>
Represented By:					
Borrowing Requirement	6.662	7.374	11.917	16.141	6.528
MRP	-4.319	-4.226	-4.631	-5.444	-6.056
MRP - PFI/Leases	-1.567	-1.029	-1.095	-1.145	-1.197
Capital Receipts - Loans & MRP	-0.198	0.000	0.000	0.000	0.000
<b>Total</b>	<b>0.578</b>	<b>2.120</b>	<b>6.191</b>	<b>9.552</b>	<b>-0.724</b>

In accordance with best practice the Council does not earmark borrowing to specific items or types of expenditure. The Council manages its overall borrowings and investments in accordance with its approved Annual Treasury Management Strategy (APPENDIX B).

For the purposes of day-to-day cash management, no distinction is made between revenue and capital cash. External borrowing arises as a consequence of all financial transactions of the Council as a whole and not simply those arising from capital spending. In contrast the CFR indicator reflects the Council's underlying need to borrow to fund capital expenditure.

## Governance

The ten distinct clusters of the Capital Investment Programme are monitored by the Programme Management Group.

This group ensures that once the supporting strategy for the Capital Investment Programme has been agreed by the Executive Management Team, Cabinet and Council, a fit for purpose business case is produced and delivered accordingly for individual projects.

The Capital Investment Programme is made up of a series of theme-based projects which meet the key criteria of the investment strategy of the Council and have been scrutinised using an outline or full business case. For capital projects which exceed £0.250 million, a full business case will be

required to be completed before a project moves into its procurement phase. Project investments which have a variation in excess of £0.250 million of the original estimated value of the cost of the project will require further approval by the Cabinet to proceed.

The Business Case process is structured around the Treasury Green Book Model which uses 5 types of tests:

- Strategic case.
- Economic case.
- Finance case.
- Management case.
- Commercial case.

On a quarterly basis, Cabinet will receive a report which sets out the Council's Capital Investment Programme, an update on the progress during the year and variations to the programme.

As part of a Corporate Peer Challenge, one of the findings was that the Council is recommended to further embed its approach to developing the pipeline of capital schemes, to ensure that all additions are evidence-based, and fully appraised of the debt-financing and subsequent operational running costs. To address this recommendation, the Council will develop an economic statement which will help to ensure that any economic project added to the Council's capital pipeline will be evidence-led with investment decisions made on clear criteria. The criteria will ensure that capital projects align to the Corporate Plan Objectives such as carbon reduction, digitisation and more efficient use of assets.

### **Asset Management**

To ensure that the Council's capital assets continue to be of long-term use, it is important that the Council has a robust Asset Management Strategy in place. This is reviewed regularly by the Asset Strategy Group. The Strategy's key objectives are:

- To take a place-based approach to asset management, creating complementary multi-use public facilities within neighbourhoods.
- To work with key partners, the local community, and the voluntary and community sector to generate social value by exploring opportunities for co-location or community asset transfer.
- To regenerate and positively shape places through an intelligent approach to the acquisition, consolidation, disposal and development of land and buildings.
- To reduce carbon emissions from the Council's asset portfolio, supporting the aspiration to become a carbon neutral borough by 2030.
- To facilitate modern, flexible ways of working by maximising the opportunities for digital working across the Council's estate.
- To reduce the costs of the Council's estate through a rationalisation of the overall number of land and buildings.
- To act commercially developing further income streams which help to offset the cost of operating the Council's estate.
- To ensure that the Council's assets are well maintained reducing the costs associated with any unplanned repair or maintenance work.

The Cabinet member for Corporate Resources has the overall responsibility for the Council's land and property assets. As the Corporate Landlord, the Managing Director is the owner of the Asset Strategy. The Corporate Landlord has the responsibility to ensure that a corporate approach is adopted in the management of the Council's land and property assets ensuring that their use is maximised, their operational costs are minimised and that they provide value for money in the delivery of services.

## Asset Disposals

When a capital asset is no longer needed, the Council will seek to dispose of the asset for capital receipts. These capital receipts can be utilised as follows:

- To fund capital expenditure.
- To repay the principal of debt held by the Council.

Repayment of capital grants, loans and investments by other organisations to the Council, also generate capital receipts. The capital receipts generated and forecast over the medium term are as follows:

Table 4 – Capital Receipts

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
Asset Sales	- 0.259	0.250	- 1.500	- 1.000	- 0.250
Sale of Shares	- 0.298				
Loans Repaid	- 0.199	- 0.205	- 0.496	- 0.500	- 0.365
TOTAL	- 0.755	0.045	- 1.996	- 1.500	- 0.615

The Council's policy for the utilisation of capital receipts is to primarily fund the purchase of short-life assets within the Capital Investment Programme.

## TREASURY MANAGEMENT

The Council defines the policies and objectives of its treasury management activities as follows:

1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks.
2. The successful identification, monitoring and control of risk will be the prime criteria by which the effectiveness of the treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council and any financial instruments entered into to manage these risks.
3. Effective treasury management will provide support towards the achievement of the business and service objectives of the Council expressed in the Corporate Plan. The Council is committed to the principles of achieving value for money in treasury management and to employing suitable performance management techniques within the context of effective risk management.

The Council has also set out the policies and monitoring arrangements for borrowing and investments.

Due to decisions taken in the past, the Council has debt of £202.786 million (excluding PFI and leases) on the 31<sup>st</sup> December 2023 at an average interest rate of 4.31%

Investments held for service purposes or for commercial profit are considered in APPENDIX C - Investment Strategy.

## Borrowing Strategy

The Council's main objective when borrowing money is to achieve a low but relatively certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loan Board.

Projected levels of the Council's total outstanding debt (which comprises borrowing and PFI/ lease liabilities) are shown below, compared with the Capital Financing Requirement (see Table 3 - Prudential Indicator: Estimates of Capital Financing Requirement). This is monitored with long-term projections for input into the liability benchmark.

**Table 5 – Prudential Indicator – Gross Debt and the Capital Financing Requirement**

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
Debt - Capital Programme	215.183	209.443	216.729	227.426	227.899
Debt - PFI's	44.886	42.363	39.856	37.192	34.283
Total	260.069	251.806	256.585	264.618	262.182
Capital Financing Requirement	266.265	268.385	274.575	284.127	283.403
Internal Borrowing	- 6.196	- 16.579	- 17.990	- 19.509	- 21.221
Gross Debt and the Capital Financing Requirement (as %)	98%	94%	93%	93%	93%

The Council follows statutory guidance to ensure that debt remains below the Capital Financing Requirement, except for very short periods of time. Table 5 shows that the Council expects to comply in full with this guidance across the whole of the medium term. but may breach this threshold due to the premium incurred in the restructuring of the Lender Option – Borrower Option (LOBO) loans. The debt to fund this premium is not funding associated with the Capital Investment Programme but is a relevant consideration when comparing the Capital Financing Requirement and the Council's overall level of debt. The premium outstanding on the 31 March 2024 is £17.678 million.

### Liability Benchmark

The liability benchmark effectively represents the projected net borrowing requirement of a local authority over the long-term, plus a liquidity allowance.

In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments the Council require to manage its day-to-day cash flow requirements.

The Council has calculated its liability benchmark, which shows the lowest level of borrowing needed to fund the Council's capital commitments, after the use of the Council's revenue reserves. This assumes that investment balances are kept to a risk-determined minimum level of £15.000 million at each year-end. This benchmark is currently estimated to be £201.040 million on 31 March 2024 and is forecast to rise to £219.496 million by 2026/27.

**Table 6 – Borrowing and the Liability Benchmark**

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
Estimated Outstanding borrowing - Capital Programme	215.183	209.443	216.729	227.426	227.899
Liability benchmarking	191.592	201.040	208.327	219.023	219.496

The table shows that the Council expects to remain borrowed above its liability benchmark for the short-term. This is partly because of the borrowing undertaken for the premium on redeeming the LOBO loans and assumptions made on the working balances for the Council.

## Affordable Borrowing Limits

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower operational boundary is also set as a warning indicator should debt approach the limit.

**The Authorised Limit:** This represents the limit beyond which borrowing is prohibited. The Limit is based on the probable Capital Financing Requirement, with some headroom factored in after an assessment of risk. This limit requires amendment in line with the most up to date capital expenditure plans, which are to be financed through borrowing. The revenue consequences of these plans have been reflected in the Medium-Term Financial Plan.

**The Operational Boundary:** This indicator is based on the probable Capital Financing Requirement during the course of the year. It is not a limit, and the Code recognises that circumstances might arise when the boundary might be exceeded temporarily. It should act as an indicator that ensures the Authorised Limit is not breached.

Table 7 – Limits to Borrowing Activity

	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Forecast	Budget	Budget	Budget
<b>Authorised Limit for External Debt</b>	£m	£m	£m	£m	£m
Borrowing	232.192	235.340	242.627	253.323	253.796
Other Long Term Liabilities	59.073	58.044	56.949	55.804	54.607
Total	291.265	293.385	299.575	309.127	308.403
<b>Operational Boundary for External Debt</b>	£m	£m	£m	£m	£m
Borrowing	207.192	210.340	217.627	228.323	228.796
Other Long Term Liabilities	59.073	58.044	56.949	55.804	54.607
Total	266.265	268.385	274.575	284.127	283.403

Further details on borrowing are included within the Treasury Management Strategy contained in **APPENDIX B**

## Treasury Investment Strategy

Treasury investments arise from investing surplus cash for time-limited periods prior to this cash being used to fund operational and capital activities of the Council. Investments made for service reasons or for financial return are not generally considered to be part of treasury management.

The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. Cash that is likely to be spent in the near future is invested securely, for example with Money Market Funds, the Government, other local authorities or selected high-quality banks, to minimise the risk of loss. Longer term funds are invested more widely in pooled funds to balance the risk of loss against the risk of receiving returns below inflation. Both short-term and long-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy.

Table 8 – The Council’s Investment position on 31 December 2023

Investment	Credit Rating	Principal £m's	Rate %	Ave Duration (Days)
<b>Call Accounts</b>				
Natwest	A-	- 0.684	0.00	1
Handlesbanken	AA-	- 0.500	3.75	1
Santander	A	- -	-	-
<b>Total Call Accounts</b>		- <b>1.184</b>	<b>1.58</b>	<b>1</b>
<b>Money Market Funds (MMFs)- Ireland unless stated otherwise</b>				
Black Rock	MMF	- 3.000	5.34	1
Federated	MMF	- 3.000	5.32	1
Insight	MMF	- 3.000	5.34	1
Invesco	MMF	- 2.450	5.33	1
Legal & General	MMF	- 0.050	5.25	1
Aviva	MMF	- 2.500	5.36	1
Aberdeen	MMF	- 0.900	5.31	1
<b>Total Money Market Funds</b>		- <b>14.900</b>	<b>5.34</b>	<b>1</b>
<b>TOTAL INSTANT ACCESS</b>		- <b>16.084</b>	<b>5.06</b>	<b>1</b>
CCLA- Property Fund - Long Term *		- 10.000	4.13	<b>456</b>
DMO		- 2.500	5.19	<b>25</b>
<b>TOTAL FIXED Long term</b>		- <b>12.500</b>	<b>4.34</b>	<b>370</b>
<b>TOTAL</b>		- <b>28.584</b>	<b>4.75</b>	<b>162</b>

\*Estimated duration. Further details on treasury investments are included in APPENDIX B

## Risk Management

The effective management and control of risk are prime objectives of the Council’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks. The treasury management prudential indicators are within the Treasury Management Strategy.

## Governance

Decisions on treasury management investments and borrowing are made daily and are therefore delegated to the Director of Finance (Section 151 Officer) and designated employees, who must act in line with the Treasury Management Strategy approved by the Council. Quarterly updates are included with the financial position reports presented to Cabinet. The Governance Committee is responsible for scrutinising treasury management decisions.

## INVESTMENTS FOR SERVICE PURPOSES

The Council can make investments to assist local public services, including making loans to local service providers and local businesses to promote growth. The Council’s decision-making processes are different than those with treasury investments, however it will still expect such investments to break even or generate a profit after all costs have been considered. The Council also seeks to ensure that as far as possible the associated risks with such investments are minimised.

Total investments for service purposes are currently valued at £3.230 million with the largest being the shares and loan to Redcar & Cleveland Legal Services LTD, which owns 100% shares in Cygnet Family Law. The budgeted dividend from the investment is estimated to be £0.700 million per annum.

Decisions on any service investments are made by the relevant service managers in consultation with the Director of Finance (Section 151 Officer) and must meet the criteria and limits laid down within both the Investment Strategy and the Capital Investment Programme.

Further details on the Investments Strategy are included in **APPENDIX C**.

## COMMERCIAL ACTIVITIES

The Council currently does not invest in commercial activities. All properties currently classified as investment assets are generally historic or secondary to objectives of the Council. Income generated from these assets is immaterial and any losses can be absorbed in budgets without unmanageable detriment to local services.

The latest value of investment properties is £12.304 million as at 31 March 2023, with the largest being Redcar Community Heart Business Centre. The net income after all costs for investment property was £0.062 million in 2023/24.

## Risk Management

All investment assets are managed by the Strategic Asset Manager along with all other council assets. Their role is to ensure that their use is maximised, their operational costs are minimised and that they provide value for money. When a capital asset is no longer needed, the Council will seek to dispose of the asset to generate a capital receipt. Any loss to investment income will not cause a significant financial pressure.

## Governance

Property and most other commercial investments are also capital expenditure, and any purchases will therefore be subject to approval by the Project Management Group prior to inclusion in the capital programme.

Table 9 – Prudential Indicator – Net Income from Commercial and Service Investments to Net Revenue Stream

	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual £m	Forecast £m	Budget £m	Budget £m	Budget £m
Total net income from service and commercial investments	0.832	0.732	0.738	0.716	0.689
Proportion of net revenue stream	0.72%	0.58%	0.56%	0.51%	0.46%

## OTHER CAPITAL STRATEGY ISSUES

### Liabilities

In addition to the debt highlighted in Table 5, the Council is committed to making future payments to cover its pension fund deficit and set aside funds to cover other operational risks. The amounts within the balance sheet at the end of the 2022/23 financial year are as follows:

**Table 10 – Other Long-Term Liabilities on 31 March 2023**

	31/03/2023 Actual £m
Provision - Bad Debt Provision	2.495
Provision - Collection Fund	10.216
Provision - Insurance	1.893
Provision - Other	0.948
<b>Total</b>	<b>15.552</b>

The Council hold other provisions for insurance claims which have been lodged with the Council and provisions for appeals for business rates liabilities may by businesses who are challenging the level of Business Rates on the business premises which they occupy.

Decisions on incurring new material liabilities are taken by Directorates in consultation with the Director of Finance (Section 151 Officer) and the Executive Management Team. The risk of liabilities crystallising and requiring payment is monitored by Financial Services and will be reported within the quarterly finance report to Cabinet and the annual Statement of Accounts.

### Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, there are costs associated with the funding of capital expenditure, which include:

- interest payable on loans borrowed to fund the capital investment programme;
- annual write down of premiums from the historic rescheduling of loans; and
- an annual setting aside of a minimum revenue provision.

These costs are referred to as *capital financing costs* and are a direct charge to the Corporate Allocations revenue budget. The costs are offset by any investment income receivable.

The estimates of the capital financing costs are based on the proposed Capital Investment Programme and are reflected within both current and future year's budgets. The table below shows the capital financing costs as a percentage of the net revenue stream (i.e., the amount funded from Council Tax, business rates and general government grants). These figures include the principal and interest costs for the Council's private financing initiative (PFI) schemes and finance leases.

**Table 11 Prudential Indicator – Estimates of financing costs to net revenue stream.**

	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual £m	Forecast £m	Budget £m	Budget £m	Budget £m
Financing costs	19.369	19.356	21.107	22.761	23.774
Proportion of net revenue stream excluding PFI's	17%	15%	16%	16%	16%
Proportion of net revenue stream including PFI's	9%	9%	10%	10%	10%

The above indicators show that the Council has a revenue budget commitment from its current Capital Investment Programme and other long-term liabilities. The Council sets aside sufficient revenue budget to cover the costs of borrowing associated with the capital investment plans, for both the current financial year and future years.

### Knowledge and Skills

The Council employs professionally qualified and experienced employees in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.



The training needs of the Council's treasury management function are monitored, reviewed and addressed on an on-going basis and are discussed as part of the employee appraisal process. Most training needs are addressed through the attendance of training courses, seminars and conferences provided by CIPFA, brokers and the Council's treasury management advisor Arlingclose.

The Council has appointed Arlingclose as treasury management advisors and receives specific advice on investment, debt, and capital finance issues, as and when required.

Whilst the Council recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources, it fully accepts that responsibility for treasury management decisions always remains with the Council and will ensure that undue reliance is not placed upon advice from the external service provider.

Arlingclose were re-appointed as the Council's treasury management advisors for a period of five years following a full tender exercise in the summer of 2022, with the terms of appointment being documented. The value and quality of the services they provide are monitored and reviewed on an on-going basis.

The Strategic Assets team act as internal valuers and annually follow an agreed programme and set protocols for the valuation of the Council's fixed asset portfolio. They also manage the disposal of properties and advise on the purchase of land and buildings. The head of the team is RICS registered, and the team are assessed periodically by the RICS for Red Book compliance and standards. The most recent scrutiny inspection was in February 2017 which confirmed the maintenance of both high standards and compliance. Where member of the assets team does not have the knowledge and skills required, use is made of external consultants who are specialists in the respective field.

**REDCAR AND CLEVELAND BOROUGH COUNCIL**  
**ANNUAL TREASURY MANAGEMENT STRATEGY 2024/2025**

**INTRODUCTION**

Treasury management is the management of the Council's cash-flows for both borrowing and investments and the associated risks. The Council borrows and invests substantial sums of money and is therefore exposed to potential financial risks including the loss of invested funds and the budgetary impact of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

The analysis and reporting of treasury management activities will focus on the risk implications for the organisation, and any financial instruments entered into to manage the risks. The Council is therefore committed to the principles of achieving value for money in treasury management, and to employ suitable comprehensive performance measurement techniques, within the context of effective risk management.

Treasury risk management at the Council is conducted within the framework of the CIPFA Treasury Management in the Public Services: Code of Practice 2021 which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The CIPFA Code of Practice on Treasury Management recommends the adoption of four clauses:

1. The Council will create and maintain a strategic treasury management policy statement detailing the Council's policies and objectives and approach to risk management for its treasury management activities. This will be underpinned with a framework of Treasury Management Practices (TMP's) setting out the manner in which the Council will seek to achieve its policies and objectives and prescribing how it will manage and control those activities. The Code recommends 12 practice statements.
2. The Cabinet will receive reports on its treasury management policies, practices and activities, including an annual strategy and plan in advance of the year, in quarterly updates as part of the monitoring of the Council's financial position and in the financial outturn report for the year end position, in the form prescribed in its TMPs. Full Council will approve the annual strategy.
3. The execution and administration of treasury management decisions will be the responsibility of the Director of Finance (Section 151 Officer), as the Council's Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs.
4. The Council nominates the Governance Committee to be responsible for ensuring effective challenge of the Treasury Management Strategy and policies.

Investments held for service purposes or for commercial return are included in the Investment Strategy - **APPENDIX C**.

**TREASURY MANAGEMENT PRACTICES**

The CIPFA Code of Practice recommends twelve treasury management practice statements (TMPs). These statements will be reviewed as and when necessary, in the light of regulatory and/or local policy changes.

The list of twelve practice statements is as follows:

- TMP 1 Risk Management – details how the following risks will be identified, monitored and controlled: credit and counterparty, liquidity, interest rate, exchange risk, inflation, refinancing, legal and regulatory, fraud, error and corruption, contingency management and market risk.
- TMP 2 Performance Measurement – to ascertain how performance will be measured and value for money assured within an effective risk management framework.
- TMP 3 Decision Making and Analysis – details the processes to be undertaken when making treasury management decisions to ensure that the necessary checks and safeguards are in place.
- TMP 4 Approved Instruments, Methods and Techniques – this provides the clarity of which treasury management instruments, methods and techniques can be used.
- TMP 5 Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements – provides a clear statement of responsibilities for all involved in treasury management to ensure that appropriate controls such as segregation of duties are in place.
- TMP 6 Reporting Requirements and Management Information Arrangements – this specifies the Council’s reporting requirements for both the approval of the strategies, the in-year monitoring and the year-end position.
- TMP 7 Budgeting, Accounting and Audit Arrangements – in order to enhance accountability all the income and expenditure for treasury management should be brought together.
- TMP 8 Cash and Cash Flow Management – the preparation of cash-flow projections on a regular and timely basis provides a solid framework for effective cash management.
- TMP 9 Money Laundering – provides details of the processes the Council has in place to identify and report potential money laundering.
- TMP10 Training and Qualifications – this details the arrangements in place to ensure that those responsible for treasury management (for both Officers and those charged with Governance) have the appropriate skills and knowledge to carry out their role effectively.
- TMP11 Use of External Service Providers – the use of external providers and the services provided by them.
- TMP12 Corporate Governance – detailing how the Council ensures that treasury management activities are undertaken with openness and transparency, honesty, integrity, and accountability.

The detailed TMP’s are available from [treasuryteam@redcar-cleveland.gov.uk](mailto:treasuryteam@redcar-cleveland.gov.uk).

## **EXTERNAL CONTEXT**

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority’s treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE’s Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month’s 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak, and GDP contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has increased rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

## **CREDIT OUTLOOK**

Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 minibudget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

## INTEREST RATE FORECAST

Although UK inflation and wage growth remain elevated, the Council's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

**Table 1 – Arlingclose Bank Rate Forecasts (as at December 2023)**

Year	2024					2025				2026			
Period	Current	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.
Upside Risk	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Bank Rate Forecast	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00	3.00
Downside Risk	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

### The interest rate forecasts are based on the following underlying assumptions:

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects have diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant policy loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

Arlingclose expects long-term gilt yields to be broadly stable at current, following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

**Table 2 – Public Works Loan Board (PWLB) Borrowing Rates (as at December 2023)**

<b>PWLB Borrowing Rates</b>				
Year	Period	Annual Average %		
		5 Year	10 Year	50 Year
2024	March	4.55	4.60	4.65
	June	4.55	4.60	4.70
	September	4.50	4.60	4.70
	December	4.40	4.60	4.70
2025	March	4.30	4.60	4.70
	June	4.30	4.60	4.70
	September	4.20	4.55	4.70
	December	4.10	4.45	4.70
2026	March	4.10	4.40	4.75
	June	4.10	4.40	4.75
	September	4.15	4.45	4.75
	December	4.15	4.45	4.75

### **TREASURY LIMITS FOR 2024/2025 TO 2027/2028**

It is a statutory duty under Section 3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. In England and Wales, the 'Authorised Limit' represents the legislative limit specified in Section 3 of the Act.

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and that the impact upon its future council tax levels is affordable.

Whilst termed an "Authorised Limit for external borrowing", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and at least two successive financial years. Details of the Authorised Limit are set out later in this report.

### **CURRENT PORTFOLIO POSITION**

On 31 December 2023, the Council held £202.786 million of borrowing. This is set out in further detail in the table below:

**Table 3 – The Council's Treasury Management Position on 31 December 2023**

<b>Borrowing</b>	<b>31.12.23</b>	<b>Rate</b>	<b>Average</b>	<b>31.3.23</b>	<b>Rate</b>	<b>Average</b>
	<b>£m's</b>	<b>%</b>	<b>Life</b>	<b>£m's</b>	<b>%</b>	<b>Life</b>
			<b>Years</b>			<b>Years</b>
<b>Fixed Rate Funding</b>						
PWLB	108.595	3.09	12	108.927	2.91	12
Market - LOBO	18.500	6.16	51	25.000	6.44	52
Market - Fixed	48.750	6.47	52	48.750	6.47	52
Other LA Funding	15.690	3.87	10	15.690	3.87	11
<b>Total Fixed Rate</b>	<b>191.536</b>	<b>4.31</b>	<b>26</b>	<b>198.367</b>	<b>4.30</b>	<b>27</b>
<b>Short Term Fixed rate</b>						
Local Authority	10.000	4.85	0	15.000	2.28	-
<b>Total Variable Rate</b>	<b>10.000</b>	<b>4.85</b>	<b>0</b>	<b>15.000</b>	<b>2.28</b>	<b>-</b>
<b>TOTAL</b>	<b>201.536</b>	<b>4.34</b>	<b>24</b>	<b>213.367</b>	<b>4.16</b>	<b>25</b>
<b>Salix Loan</b>	1.251	-	1.5	1.816	-	2.0
<b>TOTAL</b>	<b>202.786</b>	<b>4.31</b>	<b>24</b>	<b>215.183</b>	<b>4.13</b>	<b>24</b>

The Council seeks to maintain an under-borrowed position, as set out in Table 4. This means that the capital borrowing needed (the CFR), has not been fully funded with external debt. The cash available to support the Council's reserves, balances and cash flow is being used as a temporary source of finance in lieu of securing external loans. Table 4 demonstrates that potential additional borrowing, over and above the planned amount required to fund the medium-term Capital Investment Programme, may be required to be taken to stabilise the liquidity of the Council. This will continue to be monitored with loans only being agreed when required. The external borrowing (loans) amount does include an assumed level of borrowing to fund the Capital Investment Programme.

**Table 4 – The Council's Borrowing Requirement**

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
Capital Financing Requirement (Capital Programme)	207.192	210.340	217.627	228.323	228.796
Capital Financing Requirement (PFI's)	59.073	58.044	56.949	55.804	54.607
<b>Total Capital Financing Requirement</b>	<b>266.265</b>	<b>268.385</b>	<b>274.575</b>	<b>284.127</b>	<b>283.403</b>
Less: External Borrowing (Loans)	- 215.183	- 209.443	- 216.729	- 227.426	- 227.899
Less: External Borrowing (Long Term Liabilities)	- 44.886	- 42.363	- 39.856	- 37.192	- 34.283
<b>Total Debt</b>	<b>- 260.069</b>	<b>- 251.806</b>	<b>- 256.585</b>	<b>- 264.618</b>	<b>- 262.182</b>
Internal Borrowing	6.196	16.579	17.990	19.509	21.221

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its forecast Capital Financing Requirement (CFR) over the three years. Table 4 shows that the Council expects to comply with this recommendation.

Forecast changes in these sums are shown in the balance sheet analysis in the table below. This table excludes leases and PFI liabilities and only shows loans to which the authority is committed and it excludes optional refinancing.

**Table 5 – Balance Sheet Summary and Forecast**

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
Capital Financing Requirement	266.265	268.385	274.575	284.127	283.403
Less: Other Debt Liabilities	-59.073	-58.044	-56.949	-55.804	-54.607
<b>Loans CFR</b>	<b>207.192</b>	<b>210.340</b>	<b>217.627</b>	<b>228.323</b>	<b>228.796</b>
Less: External Borrowing (Loans)	- 215.183	- 209.443	- 190.405	- 180.851	- 170.265
<b>Internal Borrowing</b>	<b>- 7.991</b>	<b>0.897</b>	<b>27.222</b>	<b>47.472</b>	<b>58.531</b>
Less: Balance sheet resources	- 30.600	- 24.300	- 24.300	- 24.300	- 24.300
<b>Treasury Investments (or New Borrowing)</b>	<b>- 38.591</b>	<b>- 23.403</b>	<b>2.922</b>	<b>23.172</b>	<b>34.231</b>

The balance sheet resource in the table above is difficult to forecast as this includes all balance sheet items with the exception of treasury investments, borrowing and other debt liabilities. The external borrowing for 2024/25 onwards is the amount less maturities with no new borrowing.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying basis available for investment.

The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow over the life of the Capital Investment Programme.

### Liability Benchmark

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 5 above, but that cash and investment balances are kept to a minimum level of £15.000 million

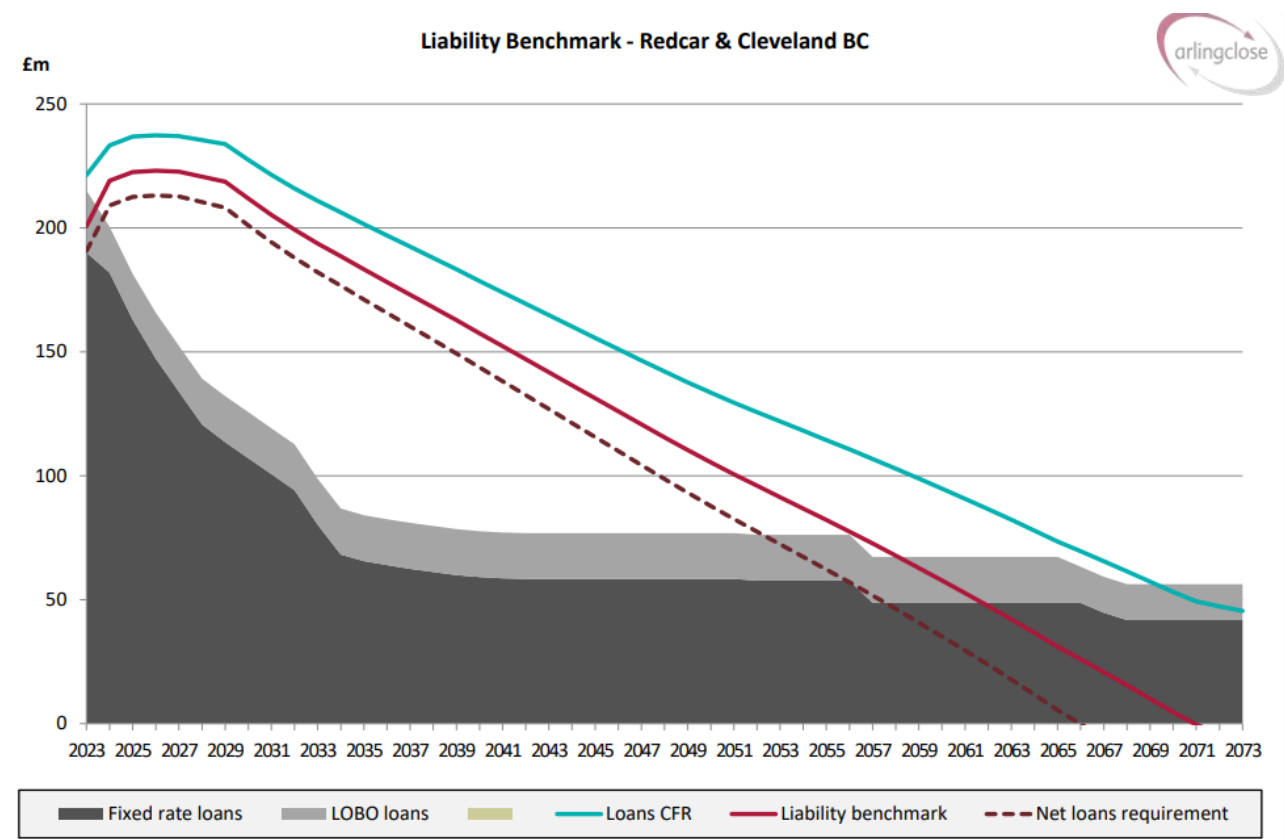
at each year-end to maintain sufficient liquidity but minimise credit risk.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

**Table 6 – Prudential Indicator Liability Benchmark**

	2022-23 Actual £m	2023-24 Forecast £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m
Loans CFR	207.192	210.340	217.627	228.323	228.796
Less: Balance Sheet Resources	-30.600	-24.300	-24.300	-24.300	-24.300
<b>Net Loans Requirement</b>	<b>176.592</b>	<b>186.040</b>	<b>193.327</b>	<b>204.023</b>	<b>204.496</b>
Plus : Liquidity Allowance	15.000	15.000	15.000	15.000	15.000
<b>Liability Benchmark</b>	<b>191.592</b>	<b>201.040</b>	<b>208.327</b>	<b>219.023</b>	<b>219.496</b>

Following on from the medium-term forecasts in table 6 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of the amounts approved as part of the Capital Investment Plan for the medium term (shown in Table 1 of the Capital Strategy) and £7.500 million a year over the long-term, minimum revenue provision calculations based on the approved programme and an average estimated useful life over the long-term and income, expenditure and reserves all increasing by inflation. This is shown in the chart below together with the maturity profile of the Council’s existing borrowing:



The top line of the chart shows the loans CFR with the year-end liability benchmark and the net loans requirement being lower. As loans mature (the shaded blocks) and new capital expenditure is incurred the area below the liability benchmark and above the loans shows an additional need to borrow for a period of approximately 25 years. The liability benchmark is lower than the loans CFR



as this assumes treasury investments are kept at the minimal level required to manage day-to-day cash flow.

## **BORROWING STRATEGY**

The Council's level of external loans is anticipated to be £209.443 million at the end of 2023/24, a decrease of £5.740 million on the previous year. The decrease in year is due to repaying maturing debt from borrowing secured in 2022/23, repaying installments on exsiting PWLB debt and the receipt of some capital grant funding received in advance of spend.

The outstanding debt below excludes other long term liabilities such as PFI contracts and finance leases which are regarded as debt outstanding for prudential indicator purposes.

Table 7 - Summary of Council Borrowing

<b>Year End @31/3</b>	<b>Debt Outstanding</b>	<b>Year on Year Variation</b>	<b>Average Interest Rate</b>	<b>Capital Investment</b>
	£m	£m	%	£m
2005	116.354	18.769	5.27	26.301
2006	123.346	6.992	5.28	33.219
2007	142.334	18.988	5.22	45.625
2008	142.525	0.191	5.57	48.471
2009	152.500	9.975	5.16	44.322
2010	147.550	- 4.950	5.16	35.784
2011	150.238	2.688	5.25	31.051
2012	157.509	7.271	5.13	34.299
2013	172.287	14.778	4.72	39.145
2014	173.463	1.176	4.81	34.972
2015	171.439	- 2.024	5.02	15.484
2016	167.414	- 4.025	5.06	18.676
2017	157.888	- 9.526	5.17	12.578
2018	159.861	1.973	5.17	13.568
2019	190.758	30.897	3.82	19.996
2020	212.846	22.088	3.53	30.820
2021	196.573	- 16.273	3.55	23.321
2022	185.807	- 10.766	3.66	36.289
2023	215.183	29.376	4.13	36.289
2024	<i>209.443</i>	<i>- 5.740</i>	<i>n/a</i>	<i>45.147</i>
2025	<i>216.729</i>	<i>7.286</i>	<i>n/a</i>	<i>78.761</i>
2026	<i>227.426</i>	<i>10.697</i>	<i>n/a</i>	<i>39.102</i>
2027	<i>227.899</i>	<i>0.473</i>	<i>n/a</i>	<i>12.453</i>

*Forecast figures shown in red italics*

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost

effective over the medium-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of [internal / short-term] borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has in recent years raised all of its current long-term borrowing from the PWLB but will consider long-term other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates of interest. Local authorities who wish to buy investment properties primarily for yield are effectively prevented from accessing PWLB loans to fund any aspect of their entire capital plan. The Council has no plans to include any purchase of commercial investment property to primarily generate a yield within its Capital Investment Programme.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

The approved sources of long-term and short-term borrowing for the Council are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board).
- UK Infrastructure Bank.
- UK local authorities.
- Any bank or building society authorised to operate in the UK.
- UK public and private sector pension funds.
- Capital market bond investors.
- Retail investors via a regulated peer-to-peer platform.
- Any other UK public sector body.
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing.
- Hire purchase.
- Private finance initiatives.
- Sale and leaseback.
- Other similar asset-based finance.

The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons:

- borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to meet its obligations for any reason; and
- there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

The Council has £18.500 million of LOBO (Lender Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. There are no LOBO loans that have a call option in 2024/25, although with interest rates having risen rapidly during 2023/24, there is a reasonably increasing possibility that lenders will exercise their options if the rates are still high when there are call dates. If lenders do exercise these options, the Council will probably take the option to repay the loan to reduce refinancing risk in later years. The Council has refinanced a LOBO loan of £6.500 million in November 2023. Although this attracted a premium of £1.450 million, this can be written off over the lifetime of the original LOBO loan at an annual rate of £0.027 million. This is less than the interest saved, and the restructure represents good value for money. It may also be possible to restructure any remaining LOBO loans if it is economically viable and the lender has the appetite to do so. The Council may take advantage of this and replace some loans with new loans where this is expected to lead to an overall cost saving or a reduction in risk.

The PWLB allows the repayment of loans before maturity with either the payment of a premium or the receipt of a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

### **Borrowing in Advance of Need**

The Council may from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the investing period. These risks will be managed as part of the Council's overall management of its treasury risks.

Borrowing in advance will be made within the constraints that:

- The Council does not exceed its Authorised Limit for borrowing;
- It will be limited to no more than 80% of the expected increase in borrowing need (CFR) over the three-year planning period; and
- The Council would not look to borrow more than 36 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the quarterly or annual reporting mechanism.

### **TREASURY INVESTMENT STRATEGY**

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £17.000 million and £41.000 million, and similar levels are expected to be maintained in the forthcoming year.

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk from incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

The majority of the Council's surplus cash is invested in fixed deposits with the Debt Management Office (DMO) or in short-term unsecured bank deposits and money market funds. This is a continuation of the current strategy and reflects the low cash balances generally held by the Council.

As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management, but the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the Capital Investment Programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

### **Risk Assessment and Creditworthiness Policy**

Credit ratings are obtained and monitored by the Council's treasury advisors, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investment will be made,
- Any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all existing investments with the affected counterparty.

Where a credit rating announces that an A- rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Credit ratings are indicative, but not perfect predictors of investment default. Consideration is given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management advisor. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the Council's criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office, treasury bills or with other local authorities.

Sole reliance will not be placed on the use of the external service provided by the Council's treasury management advisors. In addition, this Council will also use market data and market information, information on Government support for banks and the credit ratings of that Government support, as well as office judgement and expertise.

### **Liquidity Management**

The Council uses a cash-flow forecasting model to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts underestimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.

Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over at least four providers to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

### **Investment Reports to Members**

Reporting to Members on investment matters will be as follows:

- In-year investment reports will be submitted to Cabinet as part of the Quarterly Financial Position reports.
- At the end of the financial year a report on the Council's investment activity will be submitted to Cabinet as part of the Consolidated Financial Outturn report.

### **Counterparty List Criteria**

**When considering any financial investment, the Council will give paramount importance to the security aspect of the transaction. Although risk and return are important, they will be deemed to be of a secondary nature.**

**Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of instrument is used, otherwise the counterparty credit rating is used. However, investment decisions are never solely based on credit ratings and all other relevant factors including external advice will be considered.**

**The Council has general reserves available to cover investments losses. To minimise the potential impact of a single default on an unsecured investment, the maximum that will be lent to any organisation (other than the UK Government, local authorities, and pooled funds) will be £2.500 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds do not count against the limit for any single foreign country since the risk is diversified over many counties.**

In terms of the Council's investment counterparties the following framework will apply:

Counterparty		Individual Cash Limit		Total Limit	Max Period	
		Unsecured	Secured			
UK, Foreign Banks and other organisations whose lowest published long-term credit rating is:		AAA	£2.5m	£5m	£25m	2yrs
		AA+	£2.5m	£5m	£25m	2yrs
		AA	£2.5m	£5m	£20m	2yrs
		AA-	£2.5m	£5m	£20m	2yrs
		A+	£2.5m	£5m	£15m	2yrs
		A	£2.5m	£5m	£15m	1yrs
		A-	£1.5m	£3m	£9m	1yrs
Council's own Clearing Bank			£3m	N/A	£3m	N/A*
UK Building Societies without credit ratings			£1m	£2m	£5m	6m
UK Local Authorities			£5m	N/A	N/A	2yrs
UK Gov't DMO, Treasury Bills, Treasury Gilts & Instruments			Unlimited		Unlimited	3yrs
Money Market Funds			£3m	N/A	£20m	N/A
Other Pooled Funds			£10m	N/A	£20m	N/A
Real Estate Investment Trusts			£3m	N/A	£6m	N/A
Any other organisation, subject to an external credit assessment and specific advice from the Council's treasury management advisor			£2m		£4m	2yrs

\*If the Council's own clearing bank fails to meet the minimum credit quality criteria the time limit on investments will be restricted to overnight.

**Current Bank Account:** The Council's current account is held with NatWest which currently meets the minimum A- rating. The limit for NatWest is however higher than other banks for operational reasons. If the rating falls below A- the Council may continue to deposit surplus cash with NatWest providing those investments can be withdrawn on the next working day and that the bank maintains a credit rating no lower than BBB- (the lowest investment grade rating). In practice the balance is significantly lower than the £3.000 million allowed in the Strategy. The balance, although not classified as an investment, is subject to bail-in and a proportion of the balance held may be at risk. The Bank of England has stated that in the event of failure, banks with assets greater than £25.000 billion are more likely to be bailed-in than made insolvent which will allow the Council to maintain operational banking continuity.

**Banks and Building Societies Unsecured:** Investments include instant access accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

**Secured Investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 5 years.

**Registered Providers (unsecured):** Loans to, and bonds issued by or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government

support if needed.

**Money Market Funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic Pooled Funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

**Real Estate Investment Trusts (REITs):** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REIT's offer enhanced returns over the long term, but are more volatile especially as the share price reflects changes in the value of the underlying properties.

**Other Investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Full individual listings of counterparties and counterparty limits are held by Financial Services and investments are reported as part of the quarterly performance updates to Cabinet.

### **Ethical Investments**

The Council seeks to ensure that it does not invest in unethical investments. Examples include investments relating to human rights abuses, environmental degradation, discrimination on the grounds of race, gender, disability or sexuality, support of unethical operations such as arms sales to military regimes, tobacco production or animal testing for cosmetic reasons.

### **TREASURY MANAGEMENT INDICATORS FOR 2023/2024 TO 2026/2027**

The Council measures and manages its exposure to treasury management risks using the following indicators.

**Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2 etc.) and taking the arithmetic average, weighted by the size of the investment. Unrated investments are assigned a score based on their perceived risk.

<b>Credit Rate Indicator</b>	<b>Target</b>
Portfolio average credit	A

**Interest rate risk:** CIPFA defines interest rate risk as "the risk that fluctuations in the levels of interest rates creating an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately". In local authorities, this risk is therefore commonly considered in the context of the impact of changes in interest rates on the revenue accounts, particularly where a local authority is a net borrower.

The Council has opted to benchmark the risk by measuring the impact of a 1% change in interest rates. This benchmark provides protection to the revenue account from unexpected falls in interest rates causing a loss of investment income, and from unexpected raises in interest rates causing an increase in interest payable.

The Council as part of its medium-term financial planning process makes an assumption on projected interest rate rises or falls. In the event that interest rates rise faster than anticipated, which creates a budgetary pressure in relation to the cost of borrowing; this will be reflected in the quarterly finance report and will be funded from either savings elsewhere in the Council or from earmarked reserves.

The Council is expected to remain a net borrower in the medium to long term so a fall in rates would lead to savings rather than incurring additional cost.

Interest Rate Exposure	Limit £m
Upper limit on one-year revenue impact of a 1% rise in interest rates	0.769
Upper limit on one-year revenue impact of a 1% fall in interest rates	0

The amounts in the table above cover the period 2024-2027.

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

**Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing Rate Risk Indicator	Upper Limit	Lower Limit
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	80%	0%
5 years and within 10 years	90%	0%
10 years and within 25 years	100%	0%
25 years and above	100%	0%

**Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The Code requires that LOBO loans are treated as if they will mature in their next call period.**

**Long-term treasury management investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The potential limits on the long-term treasury management investments will be:

Price risk indicator	2023/24	2024/25	2025/26
Limit on principal invested beyond year end	£25m	£25m	£25m

**Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.**

## OTHER TREASURY MANAGEMENT ISSUES

Where investment income exceeds budgetary target (for example, investment income from higher risk investments including pooled funds), or debt interest paid falls below budget, (e.g. from the sourcing of low-interest short-term borrowing) then then the Council may transfer an element of this revenue saving into a separately held treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years. This is dependent on the overall budget position.



## Policy on the Use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall Treasury Management Strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

## Markets in Financial Instruments Directive

**The Council has opted up to professional status with the majority of its providers of financial services, including advisors, banks, brokers and fund managers. This allows access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Director of Finance (Section 151 Officer) believes this to be the most appropriate status.**

## Other Options Considered

The CIPFA code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance (Section 151 Officer) believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income and is more likely to place an additional revenue cost burden on the Council	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in

		the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain, and the Council would be exposed to risks of low cash balances at certain points during the financial year.

**REDCAR & CLEVELAND BOROUGH COUNCIL**  
**ANNUAL INVESTMENT STRATEGY 2024/2025**

## **INTRODUCTION**

The Council invests its money for three broad purposes:

- because it has surplus cash because of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This Investment Strategy meets the requirements of statutory guidance issued by the Government in January 2018 and focuses on the second and third of these categories.

The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Council interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Council’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

## **TREASURY MANAGEMENT INVESTMENTS**

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of both the police and fire authorities and Central Government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £35.000 million and £10.000 million during the 2024/25 financial year.

### **Contribution**

The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

### **Further details**

Full details of the Council’s policies and its plan for 2023/24 for treasury management investments are covered in a separate document, the Treasury Management Strategy included in APPENDIX B

## **SERVICE INVESTMENTS: LOANS**

The Council’s general investment powers come under the Local Government Act 2003 (section 12). Under this Act a local authority has the power to invest for any purposes relevant to its functions or for the purpose of the prudent management of its financial affairs.

In addition to investment the Council has the power to provide loans and financial assistance to organisations under the Localisation Act 2011 (and also formally under the general power of wellbeing in the Local Government Act 2000) which introduced a general power of competence for

authorities (to be exercised in accordance with their general public law duties).

Any such loans to organisations by the Council, will therefore be made under these powers, and will either be classed as capital expenditure by the Council under the Local Authorities (Capital Finance and Accounting) Regulations 2003 or as a revenue loan.

## Contribution

The Council may lend money to its subsidiaries, businesses, charities, housing associations, and its employees to support local public services and stimulate local economic growth. It is anticipated that the only material loans remaining in the accounts at the 31 March 2024 are:

- Redcar and Cleveland Legal Services Ltd - £1.300 million. This loan was agreed to part fund the purchase of Cygnet Family Law Ltd and will be repaid over a long-term period.
- Sports Leisure Management - £0.250 million. This loan was agreed as part of the tendering process to select an operator to run the Council's leisure centres. The loan is given to fund the replacement of capital assets and is repaid on an agreed schedule.

## Security

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. To limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for Service Purposes

	31.03.2023 Actual	31.03.2024 Forecast			2024/25
	Balance Owing £m	Balance Owing £m	Loss Allowance £m	Net figure in accounts £m	Approved Limit £m
Subsidiary	1.300	1.300	0.073	1.227	3.000
Charities	0.040	0.244	0.002	0.242	
Businesses	0.004	0.003	0.000	0.003	
Service Users	0.021	0.021	0.002	0.019	
Employees	0.102	0.060	0.000	0.060	
Total	1.467	1.467	0.077	1.551	

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

## Risk Assessment

The Council assesses the risk of loss before entering into a contract. Loans (excluding employee loans) will be assessed following a financial assessment of the organisation which will include the company's accounts and a business plan.

## SERVICE INVESTMENTS: SHARES

The Council currently holds the following shares:

**Durham Tees Valley Airport Ltd** – the Council has a shareholding in the airport. These are currently valued at zero due to operating losses incurred during recent financial years.

**Veritau Tees Valley Ltd**– the Council holds a 25% shareholding in the company.

**Redcar & Cleveland Legal Services Ltd** – the Council holds a 100% shareholding in the company.

The shares in the Airport are historic and were transferred to the Council as part of Local Government Reorganisation. The Council has elected to hold the shares at Fair Value through Other Comprehensive Income (FVOCI). In effect this means that any movement in the fair value of the shares can be held in an unusable reserve until derecognition. At the point of derecognition any balance in the reserve will need transferring to the Income and Expenditure account.

The shareholding in Veritau Tees Valley is due to the transfer of the audit service into a newly created company operated by parent company Veritau. The shareholding within Veritau – Tees Valley will have a 50% share ownership by the Veritau parent company and then a 25% share ownership by each of Redcar & Cleveland Council and Middlesbrough Council. The Veritau parent company is 100% owned, in equal parts, by North Yorkshire County Council and City of York Council.

Redcar and Cleveland Legal Services Ltd is a holding company which holds 100% of the shareholding in Cygnet Family Law Ltd, which was acquired in July 2021.

The Council does not currently invest in shares to support local public services or to stimulate local economic growth. There are risks in investing in shares. They may fall in value meaning that the initial outlay may not be recovered.

If it becomes advantageous to purchase shares this strategy will be updated and resubmitted for approval.

**Non-specified Investments:** Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The holdings above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

## **COMMERCIAL INVESTMENTS: PROPERTY**

The Department for Levelling Up, Housing and Communities (DLUHC) defines property to be an investment if it is held primarily or partially to generate a profit.

The Council currently holds a portfolio of assets which are categorised as investment properties because they meet the definition under the CIPFA code which is:

*“Property (land or a building, or part of a building, or both) held solely to earn rentals or for capital appreciation or both, rather than for administrative purposes”.*

The majority of the investment properties in the Council's portfolio are historic or have been constructed as part of regeneration projects. If these are deemed not beneficial to the outcomes for the Council, they will become surplus and marketed for sale.

The Council does not currently hold any investment properties purchased primarily or partially to generate a profit. If this becomes a priority for the Council, a detailed business case will be prepared and reported to Cabinet for approval prior to inclusion in the Capital Investment Programme. The Strategy will also be updated with details regarding security, risk and liquidity of the property acquired.

## **LOAN COMMITMENTS AND FINANCIAL GUARANTEES**

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council. The Council currently has no contractual commitments or guarantees.

If the Council enters into or becomes liable for a loan commitment or financial guarantee this strategy will be updated.

## INVESTMENT INDICATORS

The Council has set the following quantitative indicators to allow elective members and the public to assess the Council's total risk exposure as a result of its investment decisions.

### Total Risk Exposure

The first indicator shows the Council's total exposure to potential investment losses.

Table 2 – Total Investment Exposure

	<b>31.03.2023 Actual £m</b>	<b>31.03.2024 Forecast £m</b>	<b>31.03.2025 Forecast £m</b>
Treasury management investments	24.088	18.522	19.000
Service investments: Shares	1.742	1.742	1.742
Service investments: Loans	1.467	1.551	1.438
<b>Total Exposure</b>	<b>27.297</b>	<b>21.815</b>	<b>22.180</b>

### How Investments Are Funded

Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Table 3: Investments funded by borrowing.

	<b>31.03.2023 Actual £m</b>	<b>31.03.2024 Forecast £m</b>	<b>31.03.2025 Forecast £m</b>
Service investments: Loans	1.467	1.551	1.438
Service investments: Shares	1.742	1.742	1.742
<b>Total Funded by Borrowing</b>	<b>3.209</b>	<b>3.293</b>	<b>3.180</b>

### Rate of Return Received

This indicator shows the investment income received less the associated cost of borrowing, if appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4- Investment Rate of Return

	<b>31.03.2023 Actual %</b>	<b>31.03.2024 Forecast %</b>	<b>31.03.2025 Forecast %</b>
Treasury management investments	2.54%	2.82%	2.00%
Service investments: Shares	1.86%	2.24%	2.31%
Service investments: Loans	0.24%	0.34%	0.36%
Commercial Investments: Property	0.17%	0.25%	0.28%
<b>Total Exposure</b>	<b>4.82%</b>	<b>5.65%</b>	<b>4.95%</b>

**MINIMUM REVENUE PROVISION POLICY STATEMENT 2023/2024 - REVISED**

When the Council finances expenditure by debt, it must set aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP). Although there has been no statutory minimum since 2008, the Local Government Act 2003 requires the Council to have regard to the former Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Minimum Revenue Provision most recently issued in 2018.

The broad aim of MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Council to approve an Annual MRP statement each year and recommends a number of options for calculating a prudent amount of MRP. The Council has opted to revise its policy for expenditure incurred before 31 March 2008 and for Street Lighting PFI. The proposed methods are as follows: -

- For capital expenditure incurred before 31 March 2008, MRP will be determined as 2% of the Capital Financing Requirement on an annuity basis. The charge for 2023/24 will be calculated based on a model that assumes that this was the method at the start of 2009/10. The difference between what has been charged in previous years and what would have been charged is netted off the later years. This will enable the pre-2008 debt to be fully redeemed by 2053/54.
- For unsupported capital expenditure incurred after 31 March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset on an annuity basis equal to a PWLB rate at the end of the relevant financial year. MRP on land and buildings will not exceed 50 years and MRP on expenditure not related to fixed assets, but which has been capitalised by regulation or direction will be charged over 20 years.
- For assets acquired by finance leases or a PFI, the MRP will be determined by charging the expenditure over the expected useful life of the relevant asset on an annuity basis equal to a PWLB rate at the end of the relevant financial year. The Street Lighting PFI was previously calculated using an estimated useful life of 22 years (the contract life being 25 years and construction complete in year 3). A decision has now been taken to extend this to 37 years (taking into account the construction period). This is in line with the UK Roads Leadership Group Asset Management Board which supports an estimated useful life of between 30 and 50 years and CIPFA which estimates 40 years.
- Where loans are made to other bodies for their capital expenditure, no MRP will be charged. The capital receipts generated by the annual repayment on those loans will be put aside to repay debt instead.
- Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until in the year after the asset becomes operational.

Based on the Council's estimate of its Capital Financing Requirement on 31 March 2023, the 2023/24 budget and future years MRP is estimated to be as follows:

<b>Capital Financing Requirement (CFR)</b>	<b>CFR 31.03.2023 £m</b>	<b>MRP 2023-24 £m</b>	<b>Budgeted MRP 2024-25 £m</b>	<b>Budgeted MRP 2025/26 £m</b>
Capital Expenditure Before 31.3.2008	100.218	1.376	1.438	1.503
Unsupported Capital Expenditure after 31.3.2008	106,974	2.849	3.193	3.941
Finance Leases and Private Finance Initiatives	59.073	1.029	1.095	1.145
<b>Total</b>	<b>266.265</b>	<b>5.254</b>	<b>5.726</b>	<b>6.589</b>

The MRP shown above for Finance Leases and Private Finance Leases for 2024/25 onwards will increase due to the impact of IFRS16 which is a new accounting standard for leases. The impact of this is currently unknown but it is not expected to be material.



**MINIMUM REVENUE PROVISION POLICY STATEMENT 2024/2025**

When the Council finances expenditure by debt, it must set aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP). Although there has been no statutory minimum since 2008, the Local Government Act 2003 requires the Council to have regard to the former Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Minimum Revenue Provision most recently issued in 2018.

The broad aim of MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Council to approve an Annual MRP statement each year and recommends a number of options for calculating a prudent amount of MRP. The proposed methods are as follows: -

- For capital expenditure incurred before 31 March 2008, MRP will be determined as 2% of the Capital Financing Requirement on an annuity basis.
- For unsupported capital expenditure incurred after 31 March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset on an annuity basis equal to a PWLB rate at the end of the relevant financial year. MRP on land and buildings will not exceed 50 years and MRP on expenditure not related to fixed assets, but which has been capitalised by regulation or direction will be charged over 20 years.
- For assets acquired by finance leases or a PFI, the MRP will be determined by charging the expenditure over the expected useful life of the relevant asset on an annuity basis equal to a PWLB rate at the end of the relevant financial year.
- Where loans are made to other bodies for their capital expenditure, no MRP will be charged. The capital receipts generated by the annual repayment on those loans will be put aside to repay debt instead.
- Capital expenditure incurred during 2024/25 will not be subject to an MRP charge until in the year after the asset becomes operational.

Based on the Council's estimate of its Capital Financing Requirement on 31 March 2024, the 2024/25 budget and future years MRP is estimated to be as follows:

<b>Capital Financing Requirement (CFR)</b>	<b>Estimated CFR 31.03.2024 £m</b>	<b>Budgeted MRP 2024-25 £m</b>	<b>Budgeted MRP 2025-26 £m</b>	<b>Budgeted MRP 2026/27 £m</b>
Capital Expenditure Before 31.3.2008	98.842	1.438	1.503	1.571
Unsupported Capital Expenditure after 31.3.2008	111.499	3.193	3.941	4.485
Finance Leases and Private Finance Initiatives	58.044	1.095	1.145	1.197
<b>Total</b>	<b>268.385</b>	<b>5.726</b>	<b>6.589</b>	<b>7.253</b>

The MRP shown above for Finance Leases and Private Finance Leases will increase due to the impact of IFRS16 which is a new accounting standard for leases. The impact of this is currently unknown but it is not expected to be material.

## Flexible use of Capital Receipts Strategy 2024/25

### 1. Introduction

The proposals within this Flexible use of Capital Receipts Strategy have been prepared based on a capitalisation direction issued by the Secretary of State under Sections 16(2)(b) and 20 of the Local Government Act 2003: Treatment of Costs as Capital Expenditure.

### 2. The Direction

The Direction issued by the Secretary of State under Sections 16(2)(b) of the Local Government Act specifies that Local Authorities can treat as capital expenditure, expenditure which:

- “is incurred by the Authority that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners”.
- “is properly incurred by the Authority for the financial years that begin on 1 April 2016 to 1 April 2025”
- The extension of the existing flexibility from 2022/23 onwards was updated in August 2022.

It is a condition of the Secretary of State’s direction that the flexible use of capital receipts in accordance with the direction only applies to capital receipts which have been received in the years to which the direction applies.

When applying the direction, Authorities are required to have regard to Guidance on Flexible Use of Capital Receipts issued by the Secretary of state under Section 15(1)(a) of the Act.

In using the flexibility, the Council will have due regard to the requirements of the Prudential Code and to the CIPFA Local Authority Accounting Code of Practice.

The Council is also required to prepare a Flexible use of Capital Receipts Strategy before the start of the year to be approved by the Council – this is that Strategy.

### 3. The Council’s Proposals

The Guidance sets out examples of qualifying expenditure which includes “funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation” and it is for this purpose that the Council is proposing it may use capital receipts in 2024/25, where appropriate. The Council also maintains the ability to use capital receipts to support capital expenditure on short life assets.

### 4. 2024/25 Revenue Budget

To support any reconfiguration of the Council’s services or transform service delivery to deliver improvement and efficiencies, it is proposed that any associated costs may be funded from any available capital receipts. The legitimacy of this use will be determined by the s151 Officer in order to ensure that it meets the requirements set out by the Secretary of State.

### 5. The Prudential Code

The Council has due regard to the requirements of the Prudential Code and the impact on its prudential indicators from the application of this Flexible Use of Capital Receipts Strategy. In line with this Strategy and the Council’s overall Financial Strategies, capital receipts generated in the year may be utilised to meet the cost of voluntary severance and to fund revenue costs incurred to

support the Council's service development and delivery of savings and efficiencies. A small target for capital receipts has been included in the Capital Investment Plan. If these are not applied to capital expenditure there will be minimal impact on the Council's prudential indicators as set out in the Council's Treasury Management Strategy.

The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required from undertaking and funding this scheme within the 2024/25 Statement of Accounts.

## **6. Monitoring the Strategy**

Implementation of this Strategy will be monitored as part of regular financial reporting arrangements.

# Budget Consultation 2024/25

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## **SURVEY RESPONSE REPORT**

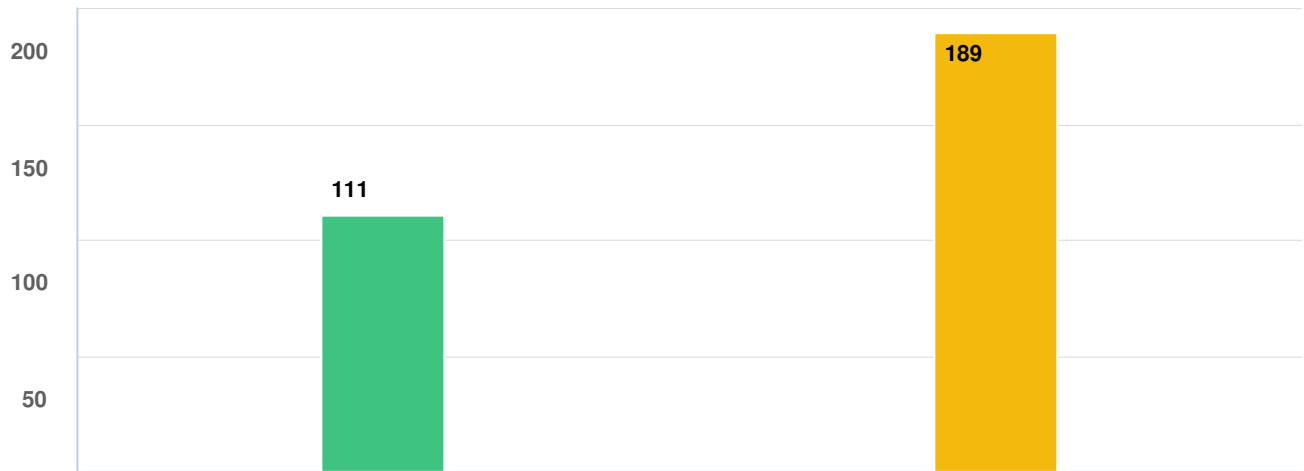
6 December 2023 - 5 January 2024

**PROJECT NAME:**  
Budget Consultation 2024/25



SURVEY QUESTIONS

**Q1** | Do you support the action we are taking to ensure we balance the budget and continue to support the vulnerable and provide ...



**Question options**

- Yes  No

*Mandatory Question (298 response(s))*  
*Question type: Checkbox Question*

## Q2 | Are there any comments you would like to add?

Anonymous

12/06/2023 04:42 PM

Reduction should be made to school transport. Local care home provision should be provided/built to prevent out of area costs. Build more affordable housing to generate Council Tax and provide affordable homes.

Anonymous

12/06/2023 04:45 PM

People are struggling they can not afford extra expenses

Anonymous

12/06/2023 04:48 PM

I support the necessary budget as an inevitability, but ultimately the clear facts demonstrate that adult social care and children's services are crippling the local authority, to the point that departments that deliver within budget are now having to make cuts. An independent review should be held for the departments most profligate with funding, to look at ways to avoid this happening again. It is also easy to keep raising Council tax, but as a council tax payer in the borough (on the highest band, in fact), the more that is asked will necessarily ensure that residents expect more in return. This leaves the Council open to further criticism when bins are not emptied, roads are left untreated and wardens do not enforce dog fouling, illegal parking etc. In terms of suggestions, as much as I love free access to art and culture, I feel that a £1-£2 charge for adults for entry to Kirkleatham Museum now makes sense, especially when Preston Park charge in Stockton. This is an asset that the Council could be making money from. I am also not wholly against charging for green waste collection, but suspect this will go down like a lead balloon if council tax is going up regardless. Thank you.

Anonymous

12/06/2023 04:50 PM

there needs to be a heavy focus for the support services available for our children and families as there are limited provisions all of which have restrictions such as only available at certain times or for certain families.

Anonymous

12/06/2023 04:51 PM

There should be more commitment and funding put into preventative services that address the issues within Children's Social Care at an earlier stage to avoid and prevent high cost commissioning such as placements - this includes better investment into the exploitation arrangements (the Council's arrangements not the externally funded arrangements from SHiFT which will end in 3 years and see us starting over again on the issues), parenting (there are 1.5 workers covering all of Children's Social Care and expanding into offering parenting to early help, this is not achievable or sustainable and



leads to delays in parenting which contributes to family dynamics/relationships/placements breaking down), therapy (there are 3 therapists covering all of Children's Social Care with a waiting list of 5 months for children who desperately need therapy to overcome trauma and without this continue to struggle and go on to be even more vulnerable to risks such as exploitation/placement breakdowns and re-trauma), as well as other teams such as edge of care who prevent children even coming into care yet are constantly depleted with the resources and services they can offer.

Anonymous

12/06/2023 04:53 PM

Managers are still paid too much money

Anonymous

12/06/2023 04:56 PM

I would rather we make the decisions about where savings can be made or services reduced or cut rather than the government making those decisions for us.

Anonymous

12/06/2023 05:04 PM

Stop paying over the top salaries at the highest level more than the prime minister

Anonymous

12/06/2023 07:34 PM

Protect jobs within the Council. Many staff members are local and don't add to the problem by making people redundant. Ways to reduce social care cost to the Council is key. Build care homes with the Borough and stop paying for travel. You have hard working staff already over worked.

Anonymous

12/07/2023 09:33 AM

Too much information to boil down to a YES/NO

Anonymous

12/07/2023 09:36 AM

Yes, it unfortunately needs to be done and I appreciate it must be a very difficult job, it's just a shame that the government are making things so difficult for councils.

Anonymous

12/07/2023 09:36 AM

In a financial crisis when so many staff are placed at risk, what is the logic behind creating new AD posts - essentially cutting staff to give pay rises to those who are in favour.

Anonymous

12/07/2023 11:29 AM

Agree, this has to be done to help to go towards balancing the budget so we can help the vulnerable people in our community, and provide the important tasks in keeping Redcar & Cleveland a clean and safe environment.

Anonymous

12/07/2023 12:07 PM

The garden waste policy will only encourage fly tipping

Anonymous

12/07/2023 12:11 PM

Instead of hiking up the amounts of tax we have to pay, you may look at the waste in all departments. Service is not value for money. Pay for some officers is too high. A review of staff roles and value for money is required.

Anonymous

12/07/2023 12:11 PM

No

Anonymous

12/07/2023 12:43 PM

Total mis management of money. Over the top salaries paid to council staff. Ridiculous amounts paid to foster carers, in a weekly basis, plus there other allowances.

Anonymous

12/07/2023 12:49 PM

Don't have a choice re vulnerable

Anonymous

12/07/2023 12:49 PM

We have a good range of SEN schools there shouldn't be a need to have children go out of the area. Therefore children should be bought back 8nto area to reduce costs.

Anonymous

12/07/2023 12:53 PM

To an extent we agree, but it's unfair that others that don't benefit require vulnerable care are going to have to pick up the bill with a possible increase in council tax.

Anonymous

12/07/2023 12:59 PM

Tighten up the workforce track the vehicles as o often see vehicles hidden in car parks. Consult staff for ideas for improvements, management seem to have ideas but don't talk them through with the people doing the jobs. Staff need to feel valued. Money is wasted on ideas that don't work, all areas need different things a more local approach is needed.

Anonymous

12/07/2023 01:14 PM

I think an honest review of how you would be useful to see if there is a way of reducing the expenditure through an alternative way of working. Rather than just balancing the books. More problems will be created in the long run if it isn't thought through.

Anonymous

Be nice if you focussed on the whole area and all of the people, rather

12/07/2023 01:37 PM

than continually wasting money in Redcar, Marske, Saltburn.

Anonymous

12/07/2023 01:42 PM

Budget for social care should be used for those most vulnerable and everyone agrees with that. Yet there are many who are making false claims and these are costing thousands and with the knowledge that the chances of being stopped are slim. Better investigation of all claims needs to be put in place rather than waiting for others to "grass" on people making these false claims.

Anonymous

12/07/2023 01:42 PM

We need value and you need to ensure you balance the budget but spending on social care is out of control.

Anonymous

12/07/2023 01:45 PM

Central Government should be challenged to properly fund Adult & Children's services so that increased costs are not loaded onto Council tax

Anonymous

12/07/2023 01:53 PM

Stop over paying people in the top jobs and making poor people poorer

Anonymous

12/07/2023 02:34 PM

Not when you are wasting our money elsewhere. Extremely short survey 2 questions??? Plus no council ever listens to the community comments so why waste more money and time??

Anonymous

12/07/2023 02:35 PM

Quite frankly for the amount paid and the service received to date I'm not sure how you can justify more money. The refuse collection service is always delayed due to staff shortages. Very rarely see a road sweeper. The roads are in such a shocking condition there are potholes everywhere.

Anonymous

12/07/2023 03:19 PM

Put more pressure on Central Government to fund local services properly.

Anonymous

12/07/2023 03:23 PM

The Government should return to funding councils properly.

Anonymous

12/07/2023 03:39 PM

Charging for the collection of garden waste is just going to result in fly tipping as well as adding it to the other waste bins..... wrong way to go

Anonymous

12/07/2023 03:58 PM

My council tax bill is almost a week of my wages how am I supposed to pay the rest of my bills and look after my own children?

Anonymous

12/07/2023 04:00 PM

No comment

Anonymous

12/07/2023 04:13 PM

£40 for garden waste. GFYS. Never ever see a labour council here again. Spend less on corrupt arena deals, vertical piers, and insane council salaries and benefits/expenses if you want to save money! Or all that labour spin you posted through doors about parking charges. You morons.

Anonymous

12/07/2023 04:18 PM

Not looking forward to garden waste being fly tipped everywhere which will cost even more to clean up

Anonymous

12/07/2023 04:19 PM

Vulnerable people and essential services have to be a priority. Central Government have squeezed local councils into making awful decisions.

Anonymous

12/07/2023 04:25 PM

No

Anonymous

12/07/2023 04:37 PM

Not going to pay any more for 'extras'

Anonymous

12/07/2023 04:37 PM

R&C's dilemma is due to poor management & lack of Councillors' control of Council Officers, as a result we, the Council Tax Payers, have to suffer lack of Services & still pay one of the highest Council Taxes in England.

Anonymous

12/07/2023 04:45 PM

Assume responsibility for the overspending areas and rectify, transport to school should be looked at and if necessary done by the council as why pay a taxi company for the service, make parents take responsibility for their children and transport them to school,

Anonymous

12/07/2023 04:50 PM

No

Anonymous

12/07/2023 04:58 PM

ANY money spent on immigration, illegal or otherwise should be stopped immediately! This would free up money for vital services that

the British tax payer pay taxes for

Anonymous

12/07/2023 05:21 PM

Stop paying for Taxis for kids put them on a bus, Brown the leader is a joke why should we pay for years of labour ran council care free spending

Anonymous

12/07/2023 05:34 PM

There are many better ways of saving money and raising revenue.

Anonymous

12/07/2023 05:55 PM

I fully understand and appreciate the fact that RCBC need to make efficiency savings and balance the budget but I feel that this is not simply a yes/no answer! Whilst I support the local authority in having to balance the budget this consultation is much larger than a simple yes/no question. I feel that the consultation should have covered the proposals one by one with a yes/no option and also include an additional information box for people to submit suggestions/comments etc. This feels like it is a rushed piece of work, put together by individuals who do not understand the complexity of the situation fully and who are not actually wishing to have the publics full feedback! Also, can consultations online please be checked prior to being published as this is the second time I have filled it in after having clicked onto the further information link and it deleting the information I had inputted!

Anonymous

12/07/2023 05:57 PM

Maybe start at the top and cull management

Anonymous

12/07/2023 06:02 PM

Pay enough on council tax. It's disgusting

Anonymous

12/07/2023 06:06 PM

Where. Do you think people in the area are going to get the extra money from . Could should stop wasting money like leaving Christmas light on ? Workmen sat around I. Lorries etc been paid overtime . Make better use of empty space ie shops in Eston. I little bit of rent is better than nothing raising millions of pound in revenue Open up care homes run by the council instead of greedy care companies charging thousands of pound for a standard run within little return for residents

Anonymous

12/07/2023 06:14 PM

It's a joke you just want more and more money. Green bins an example I'd rather fly tip

Anonymous

12/07/2023 06:16 PM

n/a

Anonymous

12/07/2023 06:38 PM

Cost of living 1 in 20 families ran out of food to feed their families . eating or heating ? Charging more. Where on earth do you think people are getting the money from . I see more and more people turning to crime to feed their family. The council should. Make better use of empty space and shops you only have to look at Eston A little bit of rent is better than nothing . Cut overtime as you only have to look around and see council vans and wagon parked up for hours .

Anonymous

12/07/2023 07:16 PM

N/a

Anonymous

12/07/2023 07:55 PM

Not a chance I would pay for garden waste to be taken away.

Anonymous

12/07/2023 08:07 PM

R & C has wasted too much money on the wrong things. Also invested and lost vast amounts of money in Icelandic Bank

Anonymous

12/07/2023 08:52 PM

#

Anonymous

12/07/2023 09:26 PM

Residents are already paying high prices for a mediocre service. Your posed waste services increases will lead to higher levels of fly tipping which will in turn cost the council even more to remove waste from the environment.

Anonymous

12/07/2023 09:37 PM

Residents interests are not being considered. You will increase council tax and anything else you can charge us to set this year's budget, then what next year? The same again probably. Our wages are not going up in proportion to these increases we face from every direction. This is a deprived economic area and the choices being imposed on us are not improving this. Where were the consultations for the new charges for green waste? We as the public regularly see surveys about trivial items such as library closures but never about financial matters that will actually impact on our day to day life.

Anonymous

12/07/2023 09:56 PM

Re garden waste fees. Most local authorities who charge around £40 per year are collecting 40/52 weeks or all year round. As a keen gardener, I would think collections should start EARLY March and continue until end of November. i.e miss out Dec Jan and Feb.

Anonymous

12/07/2023 10:05 PM

No

Anonymous

12/07/2023 10:19 PM

Only if there are guarantees that the services we will now be expected to pay for i.e. garden waste will be fulfilled as expected as per council issued schedule. Also as a council you have to STOP wasting money on vanity projects and put the funds back into the services that matter, oh and stop paying the supposed 'leaders' huge salaries that don't justify their incompetent decisions.

Anonymous

12/07/2023 10:21 PM

Don't just think of the public as a cash cow- give consideration to the projects and how necessary they are

Anonymous

12/08/2023 08:22 AM

Looking at how money is been spent on things that are not essential in children's services it clearly needs further measures to investigate the money been spent on hiring in external entertainers and reindeers these are not essential and closing roads for a parade that had 20 people in with no benefit to local businesses again this type of spend on children's services is not essential and needs addressing along with the staff in this area and what the council is paying them

Anonymous

12/08/2023 08:57 AM

No

Anonymous

12/08/2023 08:58 AM

I object to paying any extra council tax for my garden waste you can come and collect my bin

Anonymous

12/08/2023 09:01 AM

Cuts need to be made because our conservative government are wasting money which should be given to local councils. This is is not the councils fault, it is the Tory ruling party.

Anonymous

12/08/2023 09:23 AM

Yes in theory but at some point the % of budget allocated to these vulnerable needs to be capped. I have an inside window on say fostered children and the massive spending that goes into looking after them...this is not inexhaustible and the issue of the birth parents need to be tackled at some level too (education etc), otherwise we soon reach a situation whereby those that really need help cannot access it.

Anonymous

Continue to press Central Government to ensure Social Care funding

12/08/2023 09:24 AM

matches the required spend

Anonymous

12/08/2023 09:41 AM

Many people get little from the Council Tax as it is, adding extra charges when there is a Cost of Living Crisis is wrong. It looks like a blatant attempt to breach the Government cap on the annual Council Tax rise.

Anonymous

12/08/2023 09:48 AM

Closing libraries on Saturdays and charging for green waste are poor decisions.

Anonymous

12/08/2023 09:48 AM

Other than bins been emptied on a weekly bases we use no other services of the council and feel we do not get value for money. The council doesn't care what it's residents think. As long as there pockets get filled with money they really don't care

Anonymous

12/08/2023 10:07 AM

The cost of care is out of control payment to agencies should be reviewed to reduce costs

Anonymous

12/08/2023 11:55 AM

I will not pay for my garden waste I already pay for this service in my council tax and no doubt that will hike up I refuse to pay for it twice.

Anonymous

12/08/2023 12:05 PM

I object to the proposed £40 per annum charge for green waste. It will encourage fly tipping and, for those who chose to take the green waste to Dunsdale it will increase road use and pollution.

Anonymous

12/08/2023 12:30 PM

More needs to be done to bring these costs down. Maybe government intervention so that costs that suppliers are allowed to charge to look after the vulnerable be capped, look at other more cost effective provision locally or set up something up,. To look after one child for one year the amount is extortionate and not sustainable in the future without the severely affecting other services which the vast majority of residents use.

Anonymous

12/08/2023 02:51 PM

Why do the people who have worked all their lives and paid taxes and never claimed anything and now pay high council taxes never get any help. Same people all the time with their hands out

Anonymous

12/08/2023 03:04 PM

needs to be more action from central government.



Anonymous

12/08/2023 04:06 PM

The council's statutory obligations are distorting the budget. The large budget allocation to care and social services (60%?) reduces considerably the amount allocated to 'services I need and value every day'; generally, the quality of the environment in the area, basic services, street cleaning, waste management, footpath and road repair, support for the arts, events, libraries, events, etc.

Anonymous

12/08/2023 04:10 PM

No

Anonymous

12/08/2023 04:16 PM

I think R&C council's basic problem is that as a unitary authority it is too small to be viable (50/56 unitary authorities by population). As a result your fixed costs are high relative to more populous areas and the band D rates burden is higher. For example compare North Yorks band D rates £1760 with R&C at £2187.

Anonymous

12/08/2023 05:02 PM

Similar focus needs to be applied on generating more income rather than solely focusing on cuts/savings via increasing fees and charges. Spending more in order to save more: Investing in buildings, for example building a care home, in order to save money on social care costs further down the line.

Anonymous

12/08/2023 05:19 PM

If you are going to start charging for some specific services, then you have got to deliver those service consistently and reliably - no ifs and no buts.

Anonymous

12/08/2023 05:41 PM

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Anonymous

12/08/2023 06:37 PM

Don't see why I should pay for garden waste. In Autumn what about the leaves that fall from council trees into my garden? Will the council come and clear my garden? I'm not paying a single pound for garden waste collection.

Anonymous

12/08/2023 07:28 PM

I get less for paying more.

Anonymous

12/08/2023 07:31 PM

Trying to get those already paying for green waste removal twice. I pay far more for 0 services.

Anonymous

12/08/2023 08:48 PM

Tighter controls need to be in place to restrict the money you are giving out

Anonymous

12/08/2023 11:39 PM

No

Anonymous

12/09/2023 12:46 AM

I really don't agree with the green waste bin charge. In a time when money is tight and people are struggling to pay their household bills to introduce another hefty charge is ridiculous. I think in some areas this might cause people to dump their waste elsewhere or alternatively people might not keep their gardens as tidy if they can't afford for the garden waste to be collected. Nice gardens are essential for people's mental health especially when some won't be able to afford holidays these spaces are valuable. If need be why not cut the collection to once a month as an alternative to charging. This still is not ideal but is a better idea than the charges.

Anonymous

12/09/2023 07:55 AM

Charges for garden bins should be from March to November and collections should be every week. April is too late to start these collections.

Anonymous

12/09/2023 08:18 AM

I see no improvements year on year yet the council tax still goes up, stop wasting money on stupid sculptures and so called artwork

Anonymous

12/09/2023 08:35 AM

No

Anonymous

12/09/2023 01:19 PM

You constantly waste money on the same small percentage and expect everyone to pay not fare I pay a fortune for nothing

Anonymous

12/09/2023 02:14 PM

No

Anonymous

12/09/2023 03:55 PM

Impossible to get in touch with Redcar and Cleveland council on a out of hours emergency telephone number. I tried police and Middlesbrough Council they answered unlike yourselves, even they couldn't get anyone. Highly dangerous 10 to 15cm deep pot hole opposite Ormesby Library , any cyclist or , god forbid motorcyclist hitting this in the dark will be seriously injured, as I said both police and Middlesbrough council have been informed but not their area,

Anonymous

12/09/2023 05:12 PM

The support for the Vulnerable needs serious examination to reduce the excesses and waste that is involved. Yes money has to be spent but a more competent level of management is also required to reduce the burden on the "Paying" council area residents. We are not an open purse!

Anonymous

12/09/2023 06:09 PM

It's not just RCBC that has a short fall in its budget there's is us your employers and we don't have magic money trees you already want to fleece us for £40 for gardening bin collection plus all the other sneaky charges you are increasing and still want 5% extra for what frankly a shoddily ran Redcar Centric so called council so give us a break and admit you are better off going bankrupt because of your own ineptitude of running the budget for years not just recently under the present government

Anonymous

12/09/2023 06:14 PM

I'd like the council to interrogate the costs for providing services. It appears some costs are enormous and maybe start with the big hitters. Can another business provide the same service at a cheaper cost?

Anonymous

12/09/2023 06:51 PM

Increase scrutiny on counsellors expenses- they should be providing value for money and be accountable for their spending

Anonymous

12/09/2023 06:57 PM

No

Anonymous

12/09/2023 07:22 PM

You are giving money away to so called vulnerable children for taxis when there parents can easily get them to school, your not paying enough attention to scrutinising the true finances of some families.

Anonymous

12/09/2023 07:49 PM

Make those who don't pay, pay n fine parents of those cause vandalism pay for their children's action instead of the council tax payers

Anonymous

12/09/2023 09:08 PM

The council must lobby government to assist in meeting the shortfall in budget, more so for social care and to ensure it doesn't happen in future years.

Anonymous

12/09/2023 09:33 PM

Roads are appalling and grass bin getting now charged pathetic

Anonymous 12/09/2023 09:55 PM	The council should be placing more pressure on the national gov to fund councils adequately.
Anonymous 12/09/2023 10:03 PM	Everyone would like 100% of the cake, but that cake has to be shared equally, not disproportionately
Anonymous 12/09/2023 10:17 PM	Yes
Anonymous 12/09/2023 11:02 PM	No
Anonymous 12/10/2023 12:29 AM	No
Anonymous 12/10/2023 06:11 AM	This council has consistently failed the people of the borough
Anonymous 12/10/2023 08:29 AM	Who has the time to read 386 pages to find out what is really proposed?!
Anonymous 12/10/2023 09:00 AM	Too much money wasted on people who are not genuine
Anonymous 12/10/2023 09:24 AM	Although I appreciate the detrimental effects of the cost of living crisis & need for support for the vulnerable, there are also members of the public that are working hard to make ends meet & an increase in council tax fees will be a struggle for many.
Anonymous 12/10/2023 10:14 AM	No
Anonymous 12/10/2023 11:50 AM	No
Anonymous 12/10/2023 11:52 AM	Residents of RCBC are already struggling with the cost of living crisis, wages are not increasing. The council is approving building more & more houses increasing your own income from council tax revenue yet there is no local infrastructure to support this. Don't steal from your poor residents to support your own ill managed, ill

advised approval of more houses & building

Anonymous

12/10/2023 12:48 PM

Spend less on street lighting.

Anonymous

12/10/2023 12:56 PM

Stop paying political group leaders special responsibility allowances  
How can you realistically say you want to make savings then pay people to play politics at our expense Additionally the changes to bulk item collection will cause a raise in dumping

Anonymous

12/10/2023 12:57 PM

Support the vulnerable of course, but come on some people are capable of working. Same people all the time getting hand outs.

Anonymous

12/10/2023 02:41 PM

You must be careful that rising costs does not put people who are only just managing into a vulnerable where they will get coming to you for help. It's a viscous circle

Anonymous

12/10/2023 02:46 PM

No

Anonymous

12/10/2023 02:50 PM

You mention other councils have had to sell assets, I don't think this is a bad thing and think you should look at unused h buildings or those that could merge into one!

Anonymous

12/10/2023 02:55 PM

save money by reducing middle management

Anonymous

12/10/2023 04:39 PM

You need to consider alternatives to the high costs paid for children in care. It is unacceptable to pass these on to residents.

Anonymous

12/10/2023 07:43 PM

I believe charging for green waste is is short sighted and likely to increase cost for pest control and fly tipping or will increase regular waste as people already struggling will not use green bin! It is also another example of stretching outgoing for the already stretched middle earners that are just about managing as they don't qualify for additional support with energy cost and HAF provision

Anonymous

12/10/2023 07:54 PM

cut support to the so called vulnerable. stop vast over payment to under performing officers and their teams. councilor attendance allowance to cut by half from 1st January 2024. I do not wish my

council tax to be used to support any vulnerable person.

Anonymous

12/10/2023 08:06 PM

They are more things which could be done away with or are duplicated.

Anonymous

12/10/2023 09:16 PM

I think there needs to be a revised policy of responsibility for children in terms of parental financial burden. I am totally against charges for green waste removal and see this as a step backwards. The argument that it fairer for those who don't have gardens is ridiculous. If this is implemented I would like refund on the portion of my rates and taxes that is given for child services as I do not have any.

Anonymous

12/10/2023 09:34 PM

My costs are rising and yet I get no benefit from it.

Anonymous

12/10/2023 10:38 PM

Yes I think it is a basil it's disgrace you are charging for garden rubbish and to say that people who don't have gardens are subsidising people who do. I don't have children so have no need for children's social care, schools crossing patrols etc. so why should I subsidise them. To add £40 is wrong

Anonymous

12/11/2023 07:24 AM

I support the provision of good quality placements for children and support for vulnerable residents, however this budget consultation is merely a tick box exercise so that the council can say that they have 'consulted' with residents. To simply ask if we support the council in supporting the vulnerable is far too simplistic, you have given no indication of what services will be reduced in order to do this...why?

Anonymous

12/11/2023 08:56 AM

this funding should be viewed and assessed every quarter to ensure funding is used the best way possible

Anonymous

12/11/2023 09:54 AM

Is this really as simple as a yes or no answer? Are the public not able to talk about specific areas of your budget proposals in more detail or give views on individual elements of it?

Anonymous

12/11/2023 12:04 PM

Unrealistic to ask residents to read 368 pages! You should have provided a summary of increases & included pages 70-94. Guisborough Parish Council tax should be abolished or shared amongst all residents of the Borough. Agree with new fee for garden waste bin £40. Car parking fee £3.60 for 3 hours is too expensive and will stop people from visiting Guisborough. Guisborough market

should be relocated from Westgate to Chaloner Street or one of the car parks. Efforts should be made to attract new vendors as the market is woeful.

Anonymous

12/11/2023 12:25 PM

As far as service reviews, I feel a more in depth approach needs to be taken. For example, Grangetown Hub. You are securing 2 posts of staff who are poor in terms of output, sick very poor sickness records. Yet there are genuine people who will be losing their jobs

Anonymous

12/11/2023 02:12 PM

Explain what children's services mean and if this is supporting more and more illegal immigration to the area

Anonymous

12/11/2023 03:04 PM

In children services there are too many agency social workers, they need more family time workers and admin which could free up time, using agency workers to supervise family time is not value for money for the council.

Anonymous

12/11/2023 05:50 PM

I have indicated support because this mess needs to be sorted. However it has been a long on going trend from the council in mis spending funds from the monstrosity of the vertical pier, unaccountable pay rises to top council staff as two examples. The first band of savings should be from reduction of pay across all council staff in senior management decisions followed by a full investigation on spending over the last 20 years

Anonymous

12/11/2023 06:28 PM

Green Bin charge is unfair when we already pay council tax which is supposed to take in to account this charge

Anonymous

12/11/2023 08:58 PM

I feel confident with the new Labour Administration, I think the next 12 months will be difficult but look forward to a better future.

Anonymous

12/11/2023 10:47 PM

I have yet to see a consistent and clear plan or be invited to an informative meeting or surgery with councillors all present. This is why I cannot say I support any balance of the budget

Anonymous

12/12/2023 06:44 AM

Yes

Anonymous

12/12/2023 08:57 AM

Parking needs to be costed at a price which doesn't kill off local business Bus services are rubbish and encourage car use

Anonymous

12/12/2023 10:10 AM

Due to inflation this year local people are finding it hard to live never mind paying council tax bills personally I don't think I am getting a good service due to the areas being run down roads are not fit for purpose with pot hole everywhere and rats running wick all over Normanby

Anonymous

12/12/2023 11:20 AM

Make the best of what we've got in Redcar, keep everywhere clean n tidy. Carry out prosecuting dog coulees ( there's plenty of them, dog dirt is horrendous in Redcar) make sure your litter collecting men do their jobs properly. Everytime I see them there gossiping, the walk way from sweetie corner to Lord Street is disgusting, it used to be spotless. People are more attracted to clean simple things than spending money !!

Anonymous

12/12/2023 02:00 PM

I'm not sure how your plans to review the Library Service supports your policy of giving children the best start in life - education is important and the Libraries are important parts of the community. Have you considered accessing the efficiency of the council as you would a business, making sure you are using the skills of your staff to the best purpose and that they are all working efficiently . Rather than pay for a sticking plaster to fix the issues faced by the vulnerable have you considered tackling the root causes?

Anonymous

12/12/2023 02:00 PM

a closed question leaves no room for manoeuvre so I had to put 'no'. Of course vulnerable adults and children must always be prioritised but unless the commissioning process is right and the right people are in post there will always be an opportunity to spend what you do have more wisely. It's not about spending more - it's about spending smartly.

Anonymous

12/12/2023 02:47 PM

Shutting Windows Edge is a disgrace People who live there matter  
The staff matter

Anonymous

12/12/2023 03:55 PM

Not to add the £40 on the green waste bin due to the fact that what I get doesn't cover it

Anonymous

12/12/2023 04:18 PM

I would suggest further cuts to any non essential services. We have 13 libraries in the borough (I appreciate there has been a consultation on those) but this suggested cutting only a couple. Isn't it better to have say 3 all singing and dancing libraries than even 10 to look after



and maintain. Huge cities such as Birmingham have 1 library with more residents than Redcar & Cleveland. To me its more important to have the best offer possible in fewer buildings. The savings this would create would prevent further cuts or charges to things that are valued. Whilst i am not against paying £40 per year for my green bin to be collected all areas need to be explored.

Anonymous

12/12/2023 04:36 PM

I do not agree with the reduction in our library services - particularly Laburnum Road and Dormanstown as they serve vulnerable communities in relation to poverty, disabled and elderly residents. They are also a valuable resource for our primary schools. In relation to children's services and the rise in numbers - more resources should be channeled towards Early Help and upskilling foster carers, with the aim of keeping children out of the care system Your use of only Yes/No options is not helpful as there are some items which one might disagree with, and still support the council's stance overall

Anonymous

12/13/2023 05:01 AM

You are wasting too much money on taxis ferrying children around the area.

Anonymous

12/13/2023 05:42 PM

No

Anonymous

12/13/2023 10:48 PM

I do not support any increases! We already have one of the highest council tax rates in the country and for what services in Guisborough?! No police presence, other than to make money on speed checks, hence the high burglary rate! The grass in public areas, parks etc barely gets cut in Guisborough and when it does it's so long that it leaves a complete mess! Garden waste hasn't been collected on the correct day for months! Guisborough is mainly kept tidy by a group of kind VOLUNTEERS collecting the litter! The council needs to restructure its staff and look at needless manager's roles, salaries and bonuses to save money as the public pay more than enough!

Anonymous

12/14/2023 09:19 AM

You need to be more forward thinking, are there any support schemes that can be put in place to prevent people needing social care, the system is completely flawed from the start and results in people being ignored until issues are so sever they ending up costing more.

Anonymous

12/14/2023 10:29 AM

NO

Anonymous

12/14/2023 02:58 PM

Time to give the council big wigs a pay cut and get rid of them

Anonymous

12/14/2023 03:14 PM

No comment

Anonymous

12/14/2023 03:15 PM

Do you need 2 people in vehicles collecting small rubbish bins?  
Surely this could be done by the driver of the vehicle

Anonymous

12/14/2023 04:08 PM

Years of mismanagement by all parties

Anonymous

12/14/2023 04:14 PM

No

Anonymous

12/14/2023 05:17 PM

Think the council need to release where the whole budget and expenses are going

Anonymous

12/14/2023 05:23 PM

Everybody who has a mortgage is now vulnerable as once they've paid their bills there is nothing left for food or heating. We are both working yet have had to use a food bank and often wrap up in a duvet to try and keep warm. Stop assuming people in Guisborough are rich!

Anonymous

12/14/2023 06:23 PM

Sad to say too many people are taking advantage of benefits and social care. I am fed up of paying money into a broken system. I moved here from Kent and my council tax for a smaller house is significantly more in Guisborough.

Anonymous

12/14/2023 06:44 PM

No

Anonymous

12/14/2023 07:14 PM

The question is stupid, isn't that what you are employed to do, if I don't manage my own budget I run out of funds, I expect you to do the same

Anonymous

12/14/2023 07:45 PM

Pay carers more instead of throwing money away your failing the elderly pay people above minimum wage and they will stay in the care sector keeping the elderly out of hospital

Anonymous

12/14/2023 08:28 PM

Maybe should be looking at reducing councillors and management

Anonymous

12/14/2023 08:49 PM

I just believe that there are other ways you can find to balance the budget without expecting hard working people of towns like Guisborough, who get so much less than Redcar, to pay for services which YOU encourage us to use such as garden recycling

Anonymous

12/14/2023 09:15 PM

R&C&CBC are not fit for purpose. They do not think things through or apply simple logic to problems/issues. Taking the shortest, easiest route at all times do things well, the first time

Anonymous

12/14/2023 09:19 PM

no

Anonymous

12/14/2023 09:21 PM

You have signed the death knell for the high Street by removing free parking and charging £1.60 for the 1st hour. Why not a nominal charge of 50p for the first hour to encourage people in, not drive them away.

Anonymous

12/14/2023 09:40 PM

No

Anonymous

12/14/2023 10:26 PM

You cannot continuously blame social care for the poor conditions resultant from the blatant mismanagement evident in local government.

Anonymous

12/14/2023 10:49 PM

No

Anonymous

12/14/2023 11:47 PM

Of course you have to support them vulnerable, without that we are no longer a functional society. Solutions to ensure people less vulnerable should be explored

Anonymous

12/15/2023 01:37 AM

No

Anonymous

12/15/2023 06:39 AM

I disagree with the changes to the waste management. Further the planned increase for the diy waste charges at dunsdale will only increase fly tipping. This has been proven and this is why the government have had to intervene and is now making it illegal for

council to continue this practise after Dec 31st 2023. So is it really acceptable to include these costs when trying to balance the spending? Additionally the charge for garden waste will only further increase the same problem. While the council state this is a subsidised activity and not all households have gardens, so we should only charge those who use the service. This argument is nonsensical, as there are many services that many households don't use, for example, if a household doesn't need the adult social care service, should they be given a discount?

Anonymous

12/15/2023 09:48 AM

This should be provided for at a national level

Anonymous

12/15/2023 10:02 AM

None

Anonymous

12/15/2023 11:49 AM

None

Anonymous

12/15/2023 12:06 PM

Cost if living is already very high for everybody. Increasing costs to the residents is just not acceptable.

Anonymous

12/15/2023 12:19 PM

The wage bill for the top people in the council should be cut, A lot of revenue could be created by penalising people who park illegally especially outside schools.

Anonymous

12/15/2023 12:40 PM

Council has too many staff. Since pandemic most staff are "working" from home and the huge office block in guisborough empty most of the time. Hugely inefficient and with low productivity. Cut your spiralling costs first like a business would have to.

Anonymous

12/15/2023 12:54 PM

Be more efficient

Anonymous

12/15/2023 02:20 PM

There needs to be thoughts on the ground as to how we can support them further. I am employed by the council and see massive areas of improvement on a daily basis in ways which we could save money. Working on the ground and with children, we are often in need of basic items, and a quick post on facebook can bring in a wealth of support. We have often spoke about having a room in Seafield House, in which donations of clothing / toys can be brought in - by the community / workers and that staff can have access to this, in order

to share it with the children that need it or children that come into care. We have also spoke about the amount of money we spend on bus fair / transport money. Surely, we could group up with the transport links and enquire about some discounted rates. We have also closed down all of our centres, which means contact takes place in one place, this is not helpful for people coming from outer areas such as the East / further West. We could get buses to provide transport to these services ourselves as we are required to provide bus fair to attend sessions. We have lots of bodies in the offices, who are often hungry and looking for snacks or food - a trolley which sells food/drinks would be beneficial... profits made here could be put back into the council - i would be more than happy to buy these knowing that money would be going back to the children some how. Other things we spend lots of money on in children's service, is things like beds and house hold equipment - again striking a deal with local companies to support, as mentioned in this months BBB is a fantastic idea.

Anonymous

12/15/2023 02:32 PM

Why are you encouraging fly tipping and non recycling by proposing a £40 charge to empty garden waste bins. By the reaction of people in the local area ,this is what is going to happen . You can't say you haven't been warned!. We are already have one of the highest costs for council tax-in the country.

Anonymous

12/15/2023 04:52 PM

Working people are struggling, energy prices are increasing in January & now council tax in April. I work full time & over 70% of the staff where I work, including myself, have two jobs already. It's getting beyond a joke & this proposal might help the council but it doesn't help working class people.

Anonymous

12/15/2023 05:29 PM

If you do introduce green bin fees, the administration of that needs to be carefully considered and balanced against the strong likelihood that much more fly tipping will occur throughout the borough. Selfish citizens will potentially pose issues for those who agree to pay for the garden waste collection, and a proactive monitoring patrol will be essential, with appropriate salary and vehicular overheads., on green bin dates. You could raise cash by selling off ransom strips and grass verges to promote maintenance by residents. You should charge an easy amount for car parks, in the light of the current cashless prevalence. £1, or £2, rather than silly amounts with added pennies, will allow a greater percentage of payments.

Anonymous

12/15/2023 06:10 PM

I think you forget our salaries are not increasing in line with your increases in our bills forcing more of us to face less food less

heating/lighting and having no spare cash to live. Your constituents lives matter too. Mental health costs will increase counterbalancing and increase you enforce.

Anonymous

12/15/2023 06:15 PM

Rishi Sunak stated on national television tonight 15/12/23 the government has given the council a 10 percent more and claimed the mismanagement of council funding. The local residents of R & C should not be penalized for incompetence of local councils and

Anonymous

12/15/2023 07:30 PM

Please keep any tax rises to a nil. The people who work in the borough get no relief, no help and definitely no cuts. It's all ok if your on benefits it's of no difference everything is paid for but the people who work just seem to get larger bills without any pay rises!

Anonymous

12/15/2023 08:38 PM

What a pointless question as you have no intention of reading these and will no doubt have already made the decision and this is a box ticking exercise

Anonymous

12/16/2023 01:20 PM

You need professional accountants to come in and balance the books and that should be a priority. You need to investigate the charges made by taxi companies to take children to school and make sure you are not being ripped off as happened in Birmingham.

Anonymous

12/16/2023 06:15 PM

We need more money spent on recycling services but I don't think it is too much to ask residents to pay for their own bins. I see there's a budget set aside for this, why not get us to buy our bins? Use that revenue to invest in a better recycling system? I also think you should be placing stricter fines on those who repeatedly contaminate their recycling bin. Other areas do this with huge success. Contaminated bins added to the rest of the recycling just undermines all the hard work the rest of us are putting into separating our waste correctly and it all ends up in the incinerator! Our planet is running out of time and stricter more efficient changes need to happen. It's time the council clamped down on residents who can't be bothered to recycle properly. Other councils leave a sticker on the bin to say why it's not been emptied and if it's not sorted by the following week they will be fined. It should be down to the resident to sort their waste properly. Leaving areas of land to go wild would help 5e budget and your biodiversity strategy, too. By letting the public know what you are doing, you'll get less complaints and it would be of huge benefit to the natural world. I also think more needs to be spent on public transport too. This is another hugely impactful area for the environment. With hiking up carpark charges people may be more likely to use public

transport if it's reliable and cheap enough which massively helps the planet.

Anonymous

12/17/2023 12:20 AM

It is inappropriate to have a 'yes/no' dichotomy for this question.

Anonymous

12/17/2023 10:47 AM

Council waste money and neglect areas which are assumed to be affluent.

Anonymous

12/17/2023 02:53 PM

Garden waste collections used to start in March. If you're going to charge I would like collections to start in march not April as mentioned on the proposal.

Anonymous

12/17/2023 06:43 PM

Everyone should pay towards council tax. There should be no charge for garden waste collection. The argument that people who don't use should not have to pay. Most tax payers don't use schools and school taxis.

Anonymous

12/17/2023 09:03 PM

no

Anonymous

12/17/2023 09:45 PM

How much more can you tax us? Council tax, car parking fees, charged to dispose of gardening waste - stop using us as the easy option to raise funds you are crippling us. Get rid of deadwood staff to save money, start with social workers they're all a waste of time and money.

Anonymous

12/17/2023 09:45 PM

No

Anonymous

12/18/2023 09:59 AM

no

Anonymous

12/18/2023 11:42 AM

With the time available, I have skimmed read the highlights/ proposals- is there a shortened key point version to read?

Anonymous

12/18/2023 12:31 PM

A new pool that will no doubt be subsidised is not a great addition to an already drained council 'pot' even if the construction funds came from elsewhere.

Anonymous

12/19/2023 02:16 PM

I feel you could make so cost savings within the council to start with. For example we have a council handy man who lives near us. He is at home during the day more than he is at work. That's just one example I'd where you could be saving. If you are putting council tax up you can't then expect people to pay to have their green bins emptied.

Anonymous

12/19/2023 04:30 PM

No

Anonymous

12/20/2023 09:33 AM

There is money to be saved by NOT building a new swimming bath centre at/in Eston. It is not needed there are other local options available. In an ideal world every locality would have its own pool, but times are hard and hard decisions have to be made. Instant saving of a LOT of money. You, as a Council, have already built one white elephant pool in Redcar, please do not make the same mistake again - oh, too late; the inept collective has struck again. Why is it small, isolated pressure groups are able to achieve so much? Sadly the answer to that is all too obvious.

Anonymous

12/20/2023 09:35 AM

Why are the results of 'Consultations' never made public?

Anonymous

12/20/2023 10:08 AM

Make parking for the first hour in the main car park FREE. The proposed changes are counterproductive.

Anonymous

12/20/2023 10:21 AM

Information is vague and do not feel the council are serving the needs of it's constituents and communities. Money being spent on certain projects (because Labour has promised them - Eston Pool?!?!?) is ridiculous! It may been of needed at the time of election BUT if you ask the people of Eston now if it is a good use of spending we would definitely agree not and put it to better use - children, adult and community care! If is has to be used for projects, identify current structures we could improve and put back into use... the boating lake at Redcar for example. Stop pandering to the needs of the council leader and listen to the people!

Anonymous

12/20/2023 05:18 PM

Yes - cut top council executives' salaries by 50%, those people are not worth their current salaries.

Anonymous

12/20/2023 05:41 PM

No



Anonymous

12/21/2023 11:50 AM

No.

Anonymous

12/21/2023 12:18 PM

on the 8th january 2024 you start parking charges for redcar high street that is already suffering due to retail shop closures, how will this help the shops and retail that is left, your lack of support at this time in local retailers position is flabbergastingly bad.your timing is even worse.

Anonymous

12/21/2023 03:42 PM

no

Anonymous

12/22/2023 01:47 PM

The local authority needs to find other ways of balancing their budget, instead of us the tax payer having increases put on us every year.

Anonymous

12/22/2023 06:30 PM

No

Anonymous

12/27/2023 12:30 PM

Ensure that egocentric financial decisions are eliminated. Honesty, humility, magnanimity and transparency should prevail fully. Perhaps such factors have been overlooked somewhat in the past

Anonymous

12/28/2023 01:37 AM

Do not charge for green bin collection we pay for this in our council tax you gave us a separate bin we used it all refuse used to go in one bin do not charge residents because you can't balance your books and waste money on other things

Anonymous

12/28/2023 10:30 AM

cut spending on libraries - make them all volunteer trustee type operations. curtail the ring and ride operations - too many little mercedes buses flying around

Anonymous

1/02/2024 04:39 PM

N/A

Anonymous

1/03/2024 07:10 PM

No

Anonymous

1/03/2024 07:11 PM

N/a

Anonymous

1/03/2024 07:12 PM

We already pay too much council tax

Anonymous

1/03/2024 07:18 PM

Stop wasting money on buildings. Put your children's social care team in order before you start penalising local residents

Anonymous

1/03/2024 07:25 PM

We have an enforcement team, why aren't the parking wardens being given dialy ticket targets that would increase finances massively through lost parking charges where people don't pay and also park illegally that would mean you wouldn't have to cut services

Anonymous

1/03/2024 07:25 PM

Yet more increases to people all ready struggling. We should be thinking outside the box.

Anonymous

1/03/2024 07:31 PM

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Anonymous

1/03/2024 07:31 PM

Think long and hard, is there a solution? Do we all need a New Year resolution Bring that bin back for the sick You were here but left so quick We do help to save you some money Clearing dangerous glass, that isn't funny Dog poo, gravel all.safe now Growing volunteers take a bow!

Anonymous

1/03/2024 07:34 PM

No

Anonymous

1/03/2024 07:34 PM

Scrap the green bins we paid in advance for this, your encouraging fly tipping and reducing recycling. I paid and took my children to school they should do likewise. What should the people who pay their tax pay the mistakes of a corrupt council n those who will not pay

Anonymous

1/03/2024 07:36 PM

None

Anonymous

1/03/2024 07:36 PM

People need support but like the public, the council only has so much money to spend.

Anonymous

1/03/2024 07:43 PM

No.

Anonymous

1/03/2024 07:47 PM

Money should be spent on cleaning up Redcar It's a dump

Anonymous

1/03/2024 07:52 PM

No

Anonymous

1/03/2024 08:10 PM

Reintroducing parking charges on and around the high street will further damage business and trade in the high street. Also disagree with £40 a year garden waste fee, this will just cause an increase to the already huge fly tipping problem, that you will have to spend council funds to clear up!

Anonymous

1/03/2024 08:19 PM

I work for a private Day Centre. Which also has to increase price, so if you are wanting more money for the care sector, then also have regards for small businesses who also need to increase because of the cost of living crisis, and minimum wage increase in April. Practice what you preach and understand this is a difficult time for everyone.

Anonymous

1/03/2024 08:20 PM

Stop wasting our fucking money you cunts

Anonymous

1/03/2024 08:34 PM

No

Anonymous

1/03/2024 08:59 PM

Saltburn seems to be overlooked when it comes to funding despite the amount the town generates from tourism.

Anonymous

1/03/2024 09:01 PM

No comment

Anonymous

1/03/2024 09:15 PM

The council gets MORE than enough money from the tax payer. It is mismanaged by corrupt people. Illegal immigration needs stopping immediately which will save the country BILLIONS!

Anonymous

1/03/2024 09:45 PM

You get millions every year from us tax payers and from the Government... start spending it better or rightly so the government will send their own person in to get the job done.

Anonymous

1/03/2024 09:54 PM

Cut the councillors expenses, give them bus passes, and save money that way

Anonymous

1/03/2024 10:08 PM

R&C already have one of the highest Council Tax Rates in England. Monies have been squandered on unviable projects in the past & the burden is left to the Council Tax Payers.

Anonymous

1/03/2024 10:29 PM

Not sure a straight yes/no answer adequately gives my views

Anonymous

1/03/2024 10:35 PM

Bad decision making and bad planning are the issue.

Anonymous

1/04/2024 01:58 AM

you waste money on some services and do not fund others. You need LA child accommodation not paying thousands to go out of county. Then you have a LA place for learning difficulties not filled in skelton.

Anonymous

1/04/2024 02:54 AM

Look after the constituents of the Borough.

Anonymous

1/04/2024 03:22 AM

Non

Anonymous

1/04/2024 06:17 AM

stop wasting money

Anonymous

1/04/2024 06:51 AM

Too much spent on this

Anonymous

1/04/2024 09:48 AM

Support some but not all

Anonymous

1/04/2024 10:04 AM

£2.346 per child per week seems far to much to pay for Vulnerable children is the payment spent in the private sector.or are they in council run facilities

Anonymous

1/04/2024 10:42 AM

During this times like these we ofcourse need to prioritise the most vulnerable among us. We need to cut spending on the unnecessary development and instead focus of bringing the community together and allocate for funds for grassroots community action. The Saltburn Socialist Food Bank is a good example of this as well as the Community grocery in Redcar.

Anonymous

1/04/2024 11:14 AM

No

Anonymous

1/04/2024 03:21 PM

Using funding that was won by previous council cabinet as an excuse for cutting other services, especially the most vulnerable, is disgusting and you should be ashamed. Cut back on the high salaries of people who are mere figureheads in the management of the council and use more discretion regarding spending on areas that are pro labour.

Anonymous

1/04/2024 06:14 PM

Your financial controls are appalling and I would support a commissioner be brought in. Mismanagement of funds everywhere. Public sector vs private sector. Manage this council as if the money you were spending was your own. Clueless

Anonymous

1/04/2024 07:11 PM

Abolish Redcar and Cleveland council asap, and return the relevant households under North Yorkshire, where we should have never left!!!

Anonymous

1/04/2024 07:12 PM

No

Anonymous

1/04/2024 07:15 PM

To many people been classed as vulnerable and putting it on the working people

Anonymous

1/04/2024 07:18 PM

No

Anonymous

1/04/2024 08:17 PM

Because your proposals are not going to achieve your objective

Anonymous

1/04/2024 08:36 PM

Your making it so I cannot afford to live. The council tax increases are insane.

Anonymous

1/04/2024 11:30 PM

Money is wasted every year by this council on tac that the public don't ask for, your proposing rising the council tax and charging me extra to empty a green bin.

Anonymous

1/05/2024 12:44 AM

No

Anonymous

1/05/2024 03:53 AM

Why are so many children being driven out all over to schools miles away costing an absolute fortune, many more cars on the roads, than provide facilities close to home. Taxis for them are absolutely crazy. This has to be addressed and is not sustainable

Anonymous

1/05/2024 08:40 AM

Its time people were made to look after their children themselves.,

Anonymous

1/05/2024 09:40 AM

I would like to see money saved by leaving areas of grass uncut and either left for wildlife or planted with wildflowers. The obvious exception would be where this might pose a hazard for visibility for drivers. I'm Sure there are many areas where this could be done. Save on paying for the grass to be cut and good for the environment.

Anonymous

1/05/2024 10:06 AM

The government should be held to account for their lack of funding to local government

Anonymous

1/05/2024 10:10 AM

Stop funding bus services which are not getting used enough such as stagecoach in East Cleveland. Parking charges for visitors at saltburn needs reviewing again in marine parade. If you go anywhere else you have to pay such as Whitby or York. Either use disc zone or pay and display. The tax payer should not be increasing their tax due to do gooders wanting a wide promenade which no one uses since Victorian ages and we are having a tax increase for it.

Anonymous

1/05/2024 10:46 AM

Families need to look after their own elderly, make new housing ready for the aged Parents need taking to task , penalising where they don't look after their children , never heard parents mentioned in any article about care

Anonymous

1/05/2024 10:57 AM

None

Anonymous

1/05/2024 10:58 AM

Supporting the vulnerable in any community should be funded from Government level. Services provided should be equitable from local taxes. I don't think residents are getting value for their Council Tax payments.

Anonymous

1/05/2024 11:32 AM

Agree

Anonymous

1/05/2024 12:11 PM

no

Anonymous

1/05/2024 12:13 PM

No

Anonymous

1/05/2024 01:20 PM

I

Anonymous

1/05/2024 02:55 PM

You waste so much money my wages do not cover my bills now take a pay cut stop wasting money

Anonymous

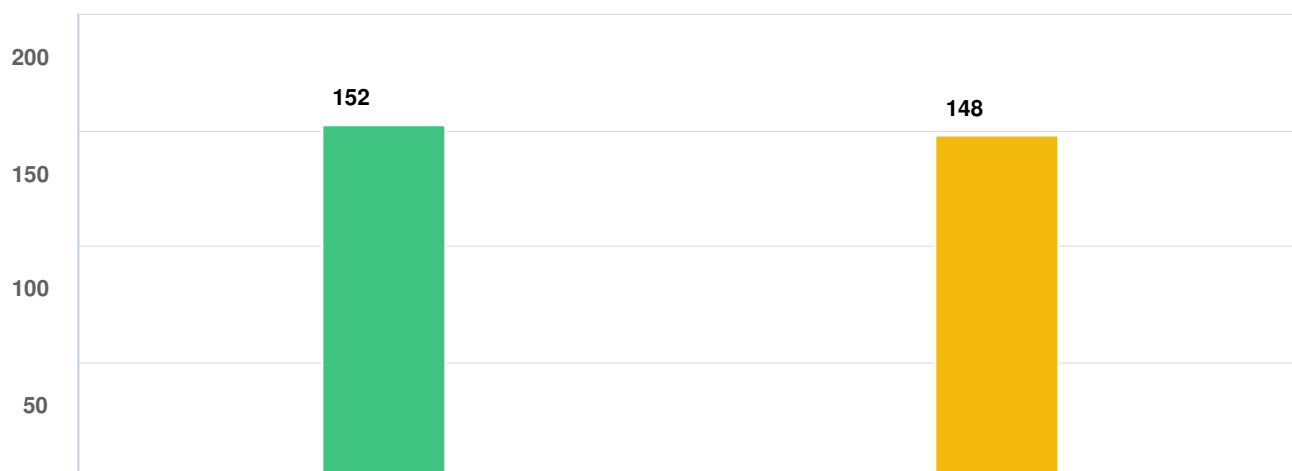
1/05/2024 03:20 PM

No

**Mandatory Question** (282 response(s))

**Question type:** Essay Question

### Q3 Do you support our proposed investments in our borough?



#### Question options

- Yes
- No

Mandatory Question (298 response(s))  
Question type: Checkbox Question

### Q4 Are there any comments you would like to add?

Anonymous

12/06/2023 04:43 PM

I feel like you are wasting money on things that won't be appreciated or bring in revenue. There are more urgent things that require money at this moment in time.

Anonymous

12/06/2023 04:48 PM

Capital projects are obviously great but long-term it would be worth looking at funding to support revenue (i.e., sustaining jobs and running of our facilities). I know this is difficult as funders prefer projects where an instant improvement can be seen, but long-term it's the day-to-day sustainability of projects that need support.

Anonymous

12/06/2023 04:56 PM

Ring fenced funding for specific projects is very welcome and long overdue to help improve the area in many ways and it is understandable that this money cannot be used for normal council services.

Anonymous

12/06/2023 05:04 PM

Plans are a waste of monies like the rest of the white elephants vertical pier the hub tuned in etc



Anonymous

12/06/2023 07:34 PM

Invest for the future is still key. Growth and a forward looking Borough is required. Start taking more business rates from Teesworks. Don't make people unemployed as short term madness.

Anonymous

12/07/2023 09:33 AM

hard to make an informed decision to be honest with the information presented

Anonymous

12/07/2023 09:36 AM

I think the improvements that are taking place are great for the borough, the borough deserves improvements for the residents and businesses and it will also bring more visitors to the area which is good for our economy. I understand that the money can only be spent on certain projects but I think many residents don't understand this.

Anonymous

12/07/2023 10:43 AM

The council could consider reducing working hours to 35 hours over 4 days and close RCBC buildings an extra one day a week.

Anonymous

12/07/2023 11:29 AM

There are so many tasks that Redcar & Cleveland Borough Council has to manage. Looking through the Councils Cabinet report it was good to see how well we invest in our staff, succession training is important and training young people to carry on this important task is so vital. Thank you.

Anonymous

12/07/2023 12:07 PM

Prioritise the assets the council has instead of closing them down for vanity projects. The amount of new housing the area must have increased council tax revenue, deal with non payment more robustly.

Anonymous

12/07/2023 12:11 PM

Take Redcar already has a hub, yet it has purchased two large stores to redevelop into an extension. Moving the library etc the town centre is dying a death no improvement or revitalisation of shopping.

Anonymous

12/07/2023 12:11 PM

Massive overspending in contracts, too much red tape and bureaucracy preventing things actually getting done.

Anonymous

12/07/2023 12:49 PM

Not able to answer 'don't know'. Have to invest but hopefully no money, services etc will be given towards the proposed Arena, enough that they have lease of the land

Anonymous

12/07/2023 12:49 PM

Think there would be an outcry if Easton baths does not open.

Anonymous

12/07/2023 12:59 PM

Any improvements are welcome but again talk to the people who are going to use them and not design companies making big bucks.

Anonymous

12/07/2023 01:14 PM

If more resource can be brought into the borough to support the place then I think we should do more of this.

Anonymous

12/07/2023 01:37 PM

As usual majority of council money being spent in the richer or tourist areas. Ignoring the people of TS6 again. Putting money into a cycle path when you don't maintain the current paths.

Anonymous

12/07/2023 01:42 PM

Any development of towns is always welcome but you need to stop wasting money on things locals don't want. The Vertical Pier white elephant is a perfect example of wasted money.

Anonymous

12/07/2023 01:42 PM

You have to invest otherwise you stagnate.

Anonymous

12/07/2023 01:53 PM

Why waste money on things residents haven't asked for Redcar pier

Anonymous

12/07/2023 02:08 PM

The link to the investments doesn't work

Anonymous

12/07/2023 02:34 PM

Don't agree with doing away with 2 hours free parking people just won't visit the town for shopping when can go elsewhere with free parking

Anonymous

12/07/2023 03:19 PM

The area needs more investment to attract well paid jobs that the local population are equipped to fill therefore job creation and training are much more important than shiny new buildings. The best way to regenerate and revitalise an area is to invest in the people and the future not new buildings.

Anonymous

12/07/2023 03:23 PM

The money should be focused on the Grangetown and South Bank areas more

Anonymous

12/07/2023 03:58 PM

Why don't you ask the people of the borough where the money should be spent?

Anonymous

12/07/2023 04:00 PM

No Comment

Anonymous

12/07/2023 04:13 PM

You will be gone next election. Stop using Guisborough as a cash cow.

Anonymous

12/07/2023 04:18 PM

No comment

Anonymous

12/07/2023 04:19 PM

I do not support the hydrogen trial or Coatham Arena. The Arena should be on the outskirts of the town due to noise and traffic issues.

Anonymous

12/07/2023 04:25 PM

Cut some money from the Redcar town deal to be used for social care

Anonymous

12/07/2023 04:37 PM

Like every project the Council undertakes using funding that has been 'won; via a bid, they never plan for ongoing maintenance of that project. They move onto the next one. (see walled garden mess of weeds) (see community orchard kirkleatham also a complete mess)

Anonymous

12/07/2023 04:37 PM

Too many unnecessary, ill thought-out, "white elephant" projects costing the Council monies they don't have & will not recoup in the foreseeable future.

Anonymous

12/07/2023 04:45 PM

Councillors should propose the same amount of funding for all areas and not just pet projects as Mary lanigan did as leader, remember the money she spent on un adopted road resurfacing previously in Brotton, moorsolm, lingdale etc , many millions for only a handful of residents to benefit,

Anonymous

12/07/2023 04:50 PM

No

Anonymous

12/07/2023 04:58 PM

The council need to invest MUCH more wisely. they waste money massively, as do the government. There is more than enough money going into the system from the tax payer

Anonymous

What investments ?? RCBC only thinks Redcar is important

12/07/2023 05:21 PM

Anonymous

Better targeting of investment to ensure revenue generation

12/07/2023 05:34 PM

Anonymous

I fully understand and appreciate the fact that RCBC need to make efficiency savings and balance the budget but I feel that this is not simply a yes/no answer! Whilst I support the local authority in having to balance the budget this consultation is much larger than a simple yes/no question. I feel that the consultation should have covered the proposals one by one with a yes/no option and also include an additional information box for people to submit suggestions/comments etc. This feels like it is a rushed piece of work, put together by individuals who do not understand the complexity of the situation fully and who are not actually wishing to have the publics full feedback! Also, can consultations online please be checked prior to being published as this is the second time I have filled it in after having clicked onto the further information link and it deleting the information I had inputted!

12/07/2023 05:55 PM

Anonymous

No

12/07/2023 05:57 PM

Anonymous

No just do not support the bins though.

12/07/2023 06:02 PM

Anonymous

Investments are cont inspiring to the community

12/07/2023 06:06 PM

Anonymous

No

12/07/2023 06:14 PM

Anonymous

n/a

12/07/2023 06:16 PM

Anonymous

It not only low paid workers the council only offer minimal pay to community workers but pay others very high wages well above minimum wage You say care and children. Fair enough but better use of buildings can fee up space instead of feeding greedy care homes with residents that do not get any stimulation whilst in a private home charging 3 and 4 times as much to go in a care home save millions The council is contributing to fly tipping by wanting to charge £40 people will go back to burning garden rubbish in their back garden Gambling with people's mental health .with out of touch proposals

12/07/2023 06:38 PM

Anonymous

12/07/2023 07:16 PM

No

Anonymous

12/07/2023 07:55 PM

Not a lot of investment

Anonymous

12/07/2023 08:07 PM

You need to stop wasting council tax payers and expecting us to pay for your mistakes

Anonymous

12/07/2023 08:52 PM

When you say Borough - parts of East Cleveland sees limited funds and sub standard upkeep

Anonymous

12/07/2023 09:26 PM

Loftus is looking better however, not sure the council needed to spend thousands on a wooden tree in the small library or even more on an ugly projection wall near the gun shop. It looks dreadful. The Zetland row shops remain an absolute eyesore, as do the two boarded up shops next to the town hall. Future high street money should have updated the empty shops. If the building owners won't clean them up then fine them. Arbroath house upper floors in the market place are a disgrace. Fine the owner. Enforcement needed to make them paint and clean the building fronts.

Anonymous

12/07/2023 09:37 PM

These will be wasted investments. As said above, we are a poor area. The majority of residents have very stretched finances, even more so as r&c continue to impose additional financial strain on us. We are not going to then spend more money on extortionate car parking fees to visit these new investments, nor appreciate things being made to look nicer, bizarre randomly placed signs and sculptures etc. Perhaps you should be investing in the people rather than the physical, because jt is the people who will decide the ultimate success or failure of these investments

Anonymous

12/07/2023 09:56 PM

No

Anonymous

12/07/2023 10:05 PM

No

Anonymous

12/07/2023 10:19 PM

Only as long as they are worthwhile and provide genuine benefit to residents. Will be interesting to see if the council actually take any

notice of the comments received from this survey, or if you will do as you usually do and ignore everything residents say and do what you want.

Anonymous

12/07/2023 10:21 PM

Be considerate with our money

Anonymous

12/08/2023 08:22 AM

Investment needs to be reduced and looking at existing properties to provide instead of building new builds and demolishing existing. Need to be attracting investment to existing properties and utilising them helping business owners that own the empty properties to help rebuild towns with existing business properties and not build to sure the needs businesses need to adapt because we are losing the heritage of the areas and the aesthetics by not doing this just looking at somewhere like York who have done this and businesses adapt to the area

Anonymous

12/08/2023 08:57 AM

No

Anonymous

12/08/2023 08:58 AM

No

Anonymous

12/08/2023 09:01 AM

no

Anonymous

12/08/2023 09:23 AM

Loftus renovation is like throwing money in the sea...nice idea but will not amount to much on the ground. Loftus had it's heyday in the Victorian era when local entrepreneurs and wealthy landowners invested in the area...the industry that warranted this has now gone...much the same for Redcar...it was once a honeypot and supported families...the era of the high street has gone...money would be better spent elsewhere

Anonymous

12/08/2023 09:24 AM

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Anonymous

12/08/2023 09:41 AM

Too much of this money is spent on things people dont want i.e the Vertical Pier and the Saltburn parking scheme which has now been scrapped.

Anonymous

Marske and New Marske have no funding allocated. It has been this

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12/08/2023 09:48 AM

way for years, poor.

Anonymous

12/08/2023 09:48 AM

Council is clueless to what residents really want.

Anonymous

12/08/2023 10:07 AM

There should be a NA or don't know as I don't have background to this question

Anonymous

12/08/2023 11:55 AM

No

Anonymous

12/08/2023 12:05 PM

I will not pay for the removal of green waste.

Anonymous

12/08/2023 12:30 PM

Regeneration and investing is important. Especially if it create jobs, secures jobs and increases revenue.

Anonymous

12/08/2023 02:51 PM

The amount of money wasted is unbelievable

Anonymous

12/08/2023 03:04 PM

x

Anonymous

12/08/2023 04:06 PM

The long promised levelling up funds for Guisborough seems to be taking a long time to deliver. A lot of documents and consultations but no signs of delivery as yet.

Anonymous

12/08/2023 04:10 PM

Capital investment to regenerate the borough is welcomed, however when considering the viability of these projects, consideration needs to be given to the whole life cost of these projects and the inevitable revenue pressures that they will create, in addition to the carbon cost - Eston pool is a good example, given the increased energy costs, the fact that swimming pools are one of the least energy efficient building types, and that there is good provision elsewhere in the borough, I'd question whether this is an affordable, safe and necessary investment.

Anonymous

12/08/2023 04:16 PM

Is this it? It's a very short consultation for a complex budget proposal.

Anonymous

12/08/2023 05:02 PM

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Anonymous

12/08/2023 05:19 PM

Your budget proposals are nibbling round the edge of the problem. Stop spending more than you earn. The PFI debts, if no more are added, will take around 35 years to pay off. I'll be dead and gone, my children will be paying for them as pensioners and my grand children will still be paying them off.

Anonymous

12/08/2023 05:41 PM

.

Anonymous

12/08/2023 06:37 PM

No

Anonymous

12/08/2023 07:28 PM

Shouldn't be "investing" I loftus high street

Anonymous

12/08/2023 07:31 PM

N/a

Anonymous

12/08/2023 08:48 PM

Why does eston need a new pool plenty in the Borough

Anonymous

12/08/2023 11:39 PM

No

Anonymous

12/09/2023 12:46 AM

Things need to happen now as there's been too many empty promises for years in these areas

Anonymous

12/09/2023 07:55 AM

In part. I feel there should be more public consultation to ensure that the regeneration schemes are done in a meaningful way for residents and not just what is recommended by town deal boards or govt consultants

Anonymous

12/09/2023 08:18 AM

I pay £3300 a year council tax and you now want £40 to empty my garden bin, unbelievable. What do I get for my money bins emptied and the road sweeper every 3 months. The roads are a disgrace, there are not even any white lines on Normanby Road from Normanby top to the trunk road



Anonymous

12/09/2023 08:35 AM

Why isn't money divided equally.

Anonymous

12/09/2023 01:19 PM

Constantly spending in Redcar and ignoring the rest, how about spend what you raise in each area.

Anonymous

12/09/2023 02:14 PM

No

Anonymous

12/09/2023 03:55 PM

get an emergency out of hours telephone service , if Middlesbrough can have one why cant R&C, Mr F Callaghan 01642 279136

Anonymous

12/09/2023 05:12 PM

It is obviously a no brainer to accept grants to improve our area but the projects still need competent and sensible design consideration and management. As a simple small scale example, consider the esplanade shelters, on at least 2 occasions there has been serious fire damage to shelters and they are built back to original standard. Surely it would be common sense to replace the combustible wooden back supports with "None combustible" stainless steel. Funds are wasted here then for large periods of the year, the shelters are filthy and unusable due to lack of cleaning after being used as toilets and accommodation for "Druggies".

Anonymous

12/09/2023 06:09 PM

Well it's needed outside of Redcar so get off your backside Brown and get things moving instead of dithering

Anonymous

12/09/2023 06:14 PM

Yet more money for Redcar town. How many times is it going to get funding and still look exactly the same as it did before?

Anonymous

12/09/2023 06:51 PM

You need to provide value for money with investments in the area and be realistic with the type of customers and money they will attract. Look at the hub on the seafront it's not at full capacity your not getting your money back as you've pitched it at the wrong business and rates are too high for this area

Anonymous

12/09/2023 06:57 PM

No

Anonymous

12/09/2023 07:22 PM

You have a bloody cheek to put my band F tax up year on year, why should I pay more tax than someone on a band A.... My % rise equates year on year far more than lower bands and now I am

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struggling..just because I am in a higher band doesn't mean I can afford it on my retirement pension.. I am constantly bombarded by council trees with leaves and branches and our verges have to be cut by ourselves because you don't come often enough plus weeding the paths and your wanting to make me pay to get rid of your green rubbish.... Plus your survey is pathetic ...Your not interested in what anyone thinks it's your paper exercise.

Anonymous

12/09/2023 07:49 PM

To much woke not enough action, how long do the masses have to pay for the unruly

Anonymous

12/09/2023 09:08 PM

None.

Anonymous

12/09/2023 09:33 PM

Roads are appalling .Grass bin charge pathetic

Anonymous

12/09/2023 09:55 PM

No

Anonymous

12/09/2023 10:03 PM

By Borough, do you mean Redcar

Anonymous

12/09/2023 10:17 PM

We need to continue to invest

Anonymous

12/09/2023 11:02 PM

No

Anonymous

12/10/2023 12:29 AM

No

Anonymous

12/10/2023 06:11 AM

It would appear that this council has its pet projects and does not wish to engage with the needs of the borough has a whole

Anonymous

12/10/2023 08:29 AM

Finally some money spent in Guisborough

Anonymous

12/10/2023 09:00 AM

Regeneration is surely the way forward and will generate money

Anonymous  
12/10/2023 09:24 AM

If council tax fees are increasing to allow for regeneration projects I question whether these are essential in a financial crisis.

Anonymous  
12/10/2023 10:14 AM

No

Anonymous  
12/10/2023 11:50 AM

No

Anonymous  
12/10/2023 11:52 AM

Before spending more money on making new things get your own house in order, make sure we have basic services like access to doctors, dentists, schools, affordable living, regular services

Anonymous  
12/10/2023 12:48 PM

Money for shops, businesses

Anonymous  
12/10/2023 12:56 PM

Borrowing more money when millions on millions have been given for eston with the intention of winning votes by borrowing for a junior pool

Anonymous  
12/10/2023 12:57 PM

Town is a disgrace. Streets disgusting. You rely on good nature of people to litter pick and sweep up neighbourhood

Anonymous  
12/10/2023 02:41 PM

People need to be able to live in an area they can be proud of and this will encourage them to take ownership and support the community in the area

Anonymous  
12/10/2023 02:46 PM

No

Anonymous  
12/10/2023 02:50 PM

I feel to need an overhaul in the council, fresh new ideas and look at the staffing. Big changes need to happen and you can't just blame the cost of living and government cuts: what we see money been spent on, the poor workmanship or council staff, management needs to change!

Anonymous  
12/10/2023 02:55 PM

town deal money should not have been used for cleveland college, staff should not have free parking and moving the library is a waste of money

Anonymous

12/10/2023 04:39 PM

These are misplaced

Anonymous

12/10/2023 07:43 PM

Eston requires investment also

Anonymous

12/10/2023 07:54 PM

Guisborough Town HALL what a waste of Millions of Pounds. Redcar were the council has wasted vast sums. You are NOT GOOD AT IT so stop these crazy idea's

Anonymous

12/10/2023 08:06 PM

Invest more and do away with the things not used

Anonymous

12/10/2023 09:16 PM

Seems unfair.

Anonymous

12/10/2023 09:34 PM

No

Anonymous

12/10/2023 10:38 PM

I don't support anything you do, you have fake consultations eg the Eston baths everyone wanted a learner pool and you ignored them, it is only getting one now as mp intervened.

Anonymous

12/11/2023 07:24 AM

I do support regeneration as long as monies used comes entirely from grants.

Anonymous

12/11/2023 08:56 AM

4.52 does not give a complete breakdown of the capital to be used from 23/24 to 28/29 from 25/26 some areas appear to have no funding at all. the amount of sections receiving nothing is increased the following year. We can all make things balance when one area gets no money. this would be like a householder saying times are tough but we can manage on X amount because in two years time we will not buy any food.. I appreciate that whomsoever has written this report can not give a complete picture so far in advance but as a Council this is something that is done every year but appears to be shown as a magic trick undertaken by unknown people . This will shift and change like the sands on the beach but regular updates will not be sent out . A partial story is no story at all.

Anonymous

12/11/2023 09:54 AM

This is a very poor consultation document and is so vague that it makes it seem like it is tokenistic at best

Anonymous

12/11/2023 12:04 PM

Good to see the proposed Arena has been passed for Redcar. However, very little investment in Guisborough noted - spend some money on a decent market. What happened to the farmer's/continental markets in Guisborough?

Anonymous

12/11/2023 12:25 PM

No

Anonymous

12/11/2023 02:12 PM

If this money is ring-fence then why as such a stupid question whether I agree or not. Ring-fenced defines the money by government then don't ask such a nonsense question

Anonymous

12/11/2023 03:04 PM

Any investment that promotes and makes the area richer should be encouraged but not vanity scheme that hold no value for the area.

Anonymous

12/11/2023 05:50 PM

As per the answer on the previous question.

Anonymous

12/11/2023 06:28 PM

N/a

Anonymous

12/11/2023 08:58 PM

No

Anonymous

12/11/2023 10:47 PM

If investments are carried out yes. We have yet to see anything finished to a proposed change. Normanby and Eston need an infrastructure for the extension of occupied new homes. We don't have the schools, emergency services, health or traffic in place for tax paying citizens of Normanby and Eston. We can't just look at a budget, we need to think of the next 10 years support

Anonymous

12/12/2023 06:44 AM

It's ring fenced money that is not in the budget for any use other than regenerative projects

Anonymous

12/12/2023 08:57 AM

Would like to know if some proposed facilities are sustainable

Anonymous

12/12/2023 10:10 AM

No

Anonymous

12/12/2023 11:20 AM

Common sense must tell you ... people fiddle their expenses, this all adds up !! Communications n volunteers, would be a great help

Anonymous

12/12/2023 02:00 PM

the levelling up funding is important to fixing the long term issues of the area, but significant investment is also needed by the private sector, there are so many opportunities for industry to invest in our area

Anonymous

12/12/2023 02:00 PM

ringfenced money is ringfenced for a reason.

Anonymous

12/12/2023 02:47 PM

Make savings elsewhere

Anonymous

12/12/2023 03:55 PM

Need to get the Redcar central station started

Anonymous

12/12/2023 04:18 PM

Its important to provide things like this in the borough. Towns should be kept looking tidy and have facilities for their residents. Whilst the highstreet is a dying trade its important for it to still have a purpose. I have seen other towns such as Redcar where half the high street has been demolished to create a smaller busier centre, and then the free space could provide things like parks or car parking, or even a garden (a nice pace to be/sit). Surely this is better than having a huge high street with half the shops empty and falling to bits. I appreciate a lot of the premises are privately owned but they should not be allowed to get in the condition they are. The end of Redcar high street near the old Arriva Depot and Aruba is actually disgusting. It would be much better to knock it down and have a green space or more parking offered.

Anonymous

12/12/2023 04:36 PM

I do not support any council investment in the infrastructure to support the arena. Any changes to roads etc should be paid for by the arena. What was done with the money which was found in a dormant business development account. Has this been utilized yet? Your use of only Yes/No options is not helpful as there are some items which one might disagree with, and still support the council's stance overall It is not

Anonymous

12/13/2023 05:01 AM

The council is wasting money on useless developments in Redcar and expecting council tax payers from elsewhere in the borough to

pay for it.

Anonymous

12/13/2023 05:42 PM

No

Anonymous

12/13/2023 10:48 PM

I don't believe the council will put the money to good use as they are so out of touch with what the public want/need!

Anonymous

12/14/2023 09:19 AM

Why is regeneration always in the same areas, Redcar has had multiple regeneration projects recently and it never seems to make a difference, maybe look to other more neglected areas in the Borough.

Anonymous

12/14/2023 10:29 AM

NO

Anonymous

12/14/2023 02:58 PM

You have done nothing to improve Eston at all

Anonymous

12/14/2023 03:14 PM

No come. Ent

Anonymous

12/14/2023 03:15 PM

Guisborough always seems to be the poor relative

Anonymous

12/14/2023 04:08 PM

Poor management in the past, why think you can change things now

Anonymous

12/14/2023 04:14 PM

No

Anonymous

12/14/2023 05:17 PM

None

Anonymous

12/14/2023 05:23 PM

Too much emphasis on housing association homes and areas. Stop destroying our green spaces which provide FREE walking and play areas. We need youth community activities/centres. The history of Guisborough should be protected and out high St businesses supported to stay open.

Anonymous

We need police, cctv and real consequences to all crime.

12/14/2023 06:23 PM

Anonymous

No

12/14/2023 06:44 PM

Anonymous

Why are we supporting that many children in care, how about educating the parents to look after their own children. In this day and age of contraception it would better to keep producing off spring that they can't look after.

12/14/2023 07:14 PM

Anonymous

Would be nice if money was invested in rural villages like lingdale boosbeck Skelton brotton which are run down instead of money spent on a dying high street like Redcar building eyesores would be nice to see stanghow road actually resurfaced instead of putting in quick fixes in the pot holes that literally last an hour due to heavy road useses they are dangerous would be nice if broadband infrastructure was invested in our rural villages that struggle to get 2mb like little moorsholm but then again that means investing in good things would be nice if you actually paid home carers more than minimum wage that might actually keep the elderly out of hospital if they got more home care but again that means investing in the right things instead of wasting money time John Sampson resigned along with that labour leader but again right thing etc etc

12/14/2023 07:45 PM

Anonymous

None

12/14/2023 08:28 PM

Anonymous

Like you say, it's ringfenced so what is the point in seeking support?

12/14/2023 08:49 PM

Anonymous

See above

12/14/2023 09:15 PM

Anonymous

no

12/14/2023 09:19 PM

Anonymous

It makes a very pleasant change for Guisborough to be getting some money spent on it, instead of the money pit which is Redcar. A new swimming baths would be nice!

12/14/2023 09:21 PM

Anonymous

No

12/14/2023 09:40 PM

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Anonymous

12/14/2023 10:26 PM

Pressure should be put on the government to allocate money where it is needed. "Levelling up" was a con to give money to council areas that are on the fence. It is wasteful for taxpayers money to be allocated to unnecessary projects in areas that cannot provide the basic essential services it is obligated to. Why create a nice place to visit when the roads aren't in a fit state to physically access these places?

Anonymous

12/14/2023 10:49 PM

No

Anonymous

12/14/2023 11:47 PM

More spending outside of Redcar would be appreciated. It seems that Redcar gets new facilities, while other areas have similar facilities closed, or threatened with closure

Anonymous

12/15/2023 01:37 AM

All about redcar again, all the money spent on the sea front and it's still a shot hole

Anonymous

12/15/2023 06:39 AM

While I strongly disagree with nearly all the waste management proposals, I support the investments that are ongoing.

Anonymous

12/15/2023 09:48 AM

All seem like politicians vanity projects, also diverts a hell of a lot of our money into privately owned property.

Anonymous

12/15/2023 10:02 AM

None

Anonymous

12/15/2023 11:49 AM

No

Anonymous

12/15/2023 12:06 PM

Let's do more in Guisborough. You use it as a cash cow.

Anonymous

12/15/2023 12:19 PM

Areas on our estate especially Aldenham road have had the grass verges ruined by people parking on them, these people should have to pay for the damage rather than it come out of the councils coffers.

Anonymous

12/15/2023 12:40 PM

No

Anonymous

12/15/2023 12:54 PM

Not enough value for money

Anonymous

12/15/2023 02:20 PM

You need to listen to the people of Redcar in respect of their proposals, which i have noted has not been done in recent months. Its all about developing the town, but there is no listening to the people who live, work and commute here.

Anonymous

12/15/2023 02:32 PM

?

Anonymous

12/15/2023 04:52 PM

Its about time the council looked at ways of investing in children's services & activities not refurbing a high street like Guisborough that has nothing but charity shops, pubs & takeaways

Anonymous

12/15/2023 05:29 PM

Only if you consult more transparently

Anonymous

12/15/2023 06:10 PM

Whats the levelling up fund for

Anonymous

12/15/2023 06:15 PM

Local towns need invest in local shops instead of wasting public funds

Anonymous

12/15/2023 07:30 PM

In Guisborough you get a lot towards the budget. Please stop the street regeneration and wasting money put it towards a new leisure centre and swimming baths that we all can use. Stop spending it in Redcar and elsewhere!

Anonymous

12/15/2023 08:38 PM

No

Anonymous

12/16/2023 01:20 PM

The previous decisions made by the council in Redcar to modernise it have been a failure. Serious work needs to be done to ensure shops come back. The High Street is an absolute trainwreck now and nothing is being done.

Anonymous

12/16/2023 06:15 PM

You need to prioritise the environment and stop worrying about people complaining so much!

Anonymous 12/17/2023 12:20 AM	It is inappropriate to have a 'yes/no' dichotomy for this question.
Anonymous 12/17/2023 10:47 AM	.
Anonymous 12/17/2023 02:53 PM	None
Anonymous 12/17/2023 06:43 PM	Investment in getting rid of quad bikes and off road motor cycles churning up the area and causing damage to footpaths and fencing. Investment in painting private property should not be made.
Anonymous 12/17/2023 09:03 PM	no
Anonymous 12/17/2023 09:45 PM	Use these funds to cover shortfalls instead of passing them on to us.
Anonymous 12/17/2023 09:45 PM	No
Anonymous 12/18/2023 09:59 AM	no
Anonymous 12/18/2023 11:42 AM	Have you done things which other boroughs have done such as made sure you have applied for appropriate VAT refunds, any other refunds? (I read in the news one council in bankruptcy were criticised for not doing this.) Are you ensuring that you have no redundant money - such as rather than having money not being used sitting in current accounts, temporarily moving this to accounts with interest rates. Have you asked workers about ideas how to save money? For example, in ASC we give out lots of leaflets? I dont think people are reading these leaflets. Is this necessary or could be be giving one letter with list of leaflets and only the absolutely necessary leaflets such as the financial leaflets? Are you working with other councils/ MP to discuss with government that the increase cost of living should be considered if figures of meeting budget costs?
Anonymous 12/18/2023 12:31 PM	Financial sustainability for projects can only be achieved if the long term costs of achieving something are captured at inception.

Anonymous

12/19/2023 02:16 PM

Too much of that money is wasted with rubbish ideas that nobody wants. For example Bakehouse square in guisborough, there is nothing wrong with this location it's just not looked after. How will that change once all the money has been spent changing it?

Anonymous

12/19/2023 04:30 PM

No

Anonymous

12/20/2023 09:33 AM

Too many of the 'ideas' are short sighted and have not been thought through with regard to longer term consequences. As a result, millions of pounds will be wasted on someone's vanity project. Why waste hundreds of thousands of pounds paving Bakehouse square in Guisborough? What benefit is there for the local population? Millions of pounds were spent on the Town Hall -not Council Funds (well not most of it) thankfully- to no local benefit

Anonymous

12/20/2023 09:35 AM

Why are the results of public consultation never made available to the public?

Anonymous

12/20/2023 10:08 AM

None

Anonymous

12/20/2023 10:21 AM

As above

Anonymous

12/20/2023 05:18 PM

Yes - cut top council executives' salaries by 50%, those people are not worth their current salaries.

Anonymous

12/20/2023 05:41 PM

18m investment on a sports village is ridiculous, money should be spent to encourage the private sector to undertake such investments. Capex exp would be better spent on Redcar town.

Anonymous

12/21/2023 11:50 AM

No

Anonymous

12/21/2023 12:18 PM

i do support the investments but not the parking charges

Anonymous

12/21/2023 03:42 PM

You waste money on vanity projects. 802 houses are planned to be built over the next 2yrs, that is a minimum of £1.5k per house plus other houses being built on top of that. You want to cut costs? get rid

of some staff

Anonymous

12/22/2023 01:47 PM

These suggestions are not going to bridge any gap. Other support needs to be sought from other sources instead of us the hard working tax payer, who already find it hard now.

Anonymous

12/22/2023 06:30 PM

Remember that the Borough is bigger than just Redcar

Anonymous

12/27/2023 12:30 PM

I refer to earlier comments. Less Elastoplast type planning; more permabond for future community benefit

Anonymous

12/28/2023 01:37 AM

You waste money you have thousands of properties in redcar paying council tax that you didn't have before so not charge for parking on high street to visit empty shops you waste so Much money

Anonymous

12/28/2023 10:30 AM

actions should be aimed at supporting local businesses particularly in redcar and providing help to unemployed making them more attractive to new industries starting in the area

Anonymous

1/02/2024 04:39 PM

N/A

Anonymous

1/03/2024 07:10 PM

No

Anonymous

1/03/2024 07:11 PM

Money is being wasted on the future high streets, nobody is interested in trees and flowers on the High Street we had them before and the council had 2 spend more money removing them as the tree roots were a problem and flowers aren't maintained and replaced, the money should be used to aquire property on the High Street instead to offer cheap rents to get shops on the High street

Anonymous

1/03/2024 07:12 PM

No

Anonymous

1/03/2024 07:18 PM

Hold all projects until you put the accounts in order

Anonymous

1/03/2024 07:25 PM

Why hasn't the money been looked at for Eston swimming pool to do something that should of been done at redcar, you should build kids slides like wet and wild that would then have the effect of bringing people into the area and spend money to support the area instead of just another generic basic swimming pool

Anonymous

1/03/2024 07:25 PM

We keep spending on big projects and then giving them to private sector. The walled garden is an example.

Anonymous

1/03/2024 07:31 PM

.

Anonymous

1/03/2024 07:31 PM

Recognise the important role volunteers have, like The King did on Christmas day, ask them if there are any organisations that can help them.

Anonymous

1/03/2024 07:34 PM

No

Anonymous

1/03/2024 07:34 PM

They should focus on project that encourages people to come to redcar shipping containers is a joke

Anonymous

1/03/2024 07:36 PM

None

Anonymous

1/03/2024 07:36 PM

The people in the council are trying to do the best they can

Anonymous

1/03/2024 07:43 PM

Yes, you as a council NEED to come through on your investments to towns other than Redcar. For residents in ANY other town in the county it's clear to see you massively invest the majority of your funds into Redcar. Other large towns such as Guisborough get very little from your council in comparison and this has to change. I hope you fulfil your commitments on the levelling up investment.

Anonymous

1/03/2024 07:47 PM

Money being spent wisely on the right things is far better for Tedca

Anonymous

1/03/2024 07:52 PM

Bin off the EV charge points, that will save and stop with all these climate impact assessments, it's called weather, it changes.

Anonymous  
1/03/2024 08:10 PM

No

Anonymous  
1/03/2024 08:19 PM

Eston is in need of help, and after 20 yrs of false promises, resident's are getting fed up of being fobbed off. Actions speak louder than word's.

Anonymous  
1/03/2024 08:20 PM

As above

Anonymous  
1/03/2024 08:34 PM

No

Anonymous  
1/03/2024 08:59 PM

Saltburn continues to be overlooked for investment

Anonymous  
1/03/2024 09:01 PM

No comment

Anonymous  
1/03/2024 09:15 PM

No

Anonymous  
1/03/2024 09:45 PM

Why are you wasting almost £18,500,000 on Esdton Sports Village alone? They are much better commercial gym facilities across the Borough, for a cheaper monthly cost alone. Eg the Gym Group. I don't want to rip into you guys too much but I feel you're really not spending the money wisely at all.

Anonymous  
1/03/2024 09:54 PM

Nope

Anonymous  
1/03/2024 10:08 PM

... unless to the specific benefit of Residents AND at NO extra cost to the Council Tax Payer.

Anonymous  
1/03/2024 10:29 PM

Investment is good

Anonymous  
1/03/2024 10:35 PM

Eston 'Square' is clearly never gonna happen

Anonymous

1/04/2024 01:58 AM

x

Anonymous

1/04/2024 02:54 AM

Stop feeding the ones with no jobs, and look after the working families.

Anonymous

1/04/2024 03:22 AM

Stop wasting money on unnecessary monuments and decorations( vertical pier) Painting private houses

Anonymous

1/04/2024 06:17 AM

stop wasting money

Anonymous

1/04/2024 06:51 AM

Not appropriate

Anonymous

1/04/2024 09:48 AM

Support some but not all

Anonymous

1/04/2024 10:04 AM

Let the government take over the running of the council, and see if they can balance the books on what they award you for the year expenditure

Anonymous

1/04/2024 10:42 AM

The new housing development between Marske and Saltburn-By-The-Sea is completely unnecessary and is corrupt in its nature. Funds and resources should have been far more appropriately allocated to the regeneration of Loftus and Redcar. We the electorate should be given complete transparency to every facet of council spending during these times of enhanced measures. The funds allocated by the council should also be scrutinised and accounted for... For example the alleged misappropriation of council funding given to Charities such TEES CIO which have councillors sitting as trustees.

Anonymous

1/04/2024 11:14 AM

Presumable the LUF Eston refers to a swimming pool? This is a waste of taxpayers money and ,cynically, buying votes. There are three pools locally, at Redcar, Neptune and Rainbow leisure centres

Anonymous

1/04/2024 03:21 PM

These funds were gained with the people of the borough in mind and not to be used to fill the coffers of some outsourced amenities that would be better sourced in-house



Anonymous

1/04/2024 06:14 PM

Na

Anonymous

1/04/2024 07:11 PM

See above

Anonymous

1/04/2024 07:12 PM

Reply to my suggestions

Anonymous

1/04/2024 07:15 PM

Stop cutting services but finding money for investments

Anonymous

1/04/2024 07:18 PM

Spend money responsibly rather than the erratic waste of money you are currently doing

Anonymous

1/04/2024 08:17 PM

Because in the past it is spent in areas where the residents do not appreciate it and do not contribute to keeping the areas maintained

Anonymous

1/04/2024 08:36 PM

None

Anonymous

1/04/2024 11:30 PM

Ask us

Anonymous

1/05/2024 12:44 AM

No

Anonymous

1/05/2024 03:53 AM

Redcar still is like a no go zone in the town centre. Shops boarded up, charity shops all along. Begging outside Greggs. Where has the money gone exactly, more empty hubs?

Anonymous

1/05/2024 08:40 AM

Support investmentwhererequired but proposals to paint private properties in Coatham is wrong.

Anonymous

1/05/2024 09:40 AM

No

Anonymous

1/05/2024 10:06 AM

When communicating show real term reductions in grant funding and the increase in costs that you are having to absorb.

Anonymous

1/05/2024 10:10 AM

Keep up with the cycling events in Cleveland bringing tourists to the area.

Anonymous

1/05/2024 10:46 AM

Loftus, resident, the current projects seem to be taking a long time and waste is evident don't see much management, unless it's to make sure it goes over budget Would not have happened in private industry

Anonymous

1/05/2024 10:57 AM

None

Anonymous

1/05/2024 10:58 AM

Try simplifying and focusing on areas that need attention. Less talk more action.

Anonymous

1/05/2024 11:32 AM

Agree

Anonymous

1/05/2024 12:11 PM

Until such time as budgets allow, capital investments should be pared back to allow greater protection of statutory services.

Anonymous

1/05/2024 12:13 PM

Eston and Teesville always seem to get promises and nothing happens

Anonymous

1/05/2024 01:20 PM

G

Anonymous

1/05/2024 02:55 PM

You don't do half the things you are supposed to do don't empty bins on time don't fix potholes

Anonymous

1/05/2024 03:20 PM

Ormesby is not mentioned in any regeneration or levelling up funding despite being neglected for some time

**Mandatory Question** (274 response(s))

**Question type:** Essay Question

# Local Government Association

## Provisional Local Government Finance Settlement 2024/25

### On the Day Briefing

18 December 2023



## Introduction

The local government finance settlement is the annual determination of funding to local government from central government. This briefing covers the [provisional local government finance settlement for 2024/25](#) which was announced on 18 December 2023. We expect the final 2024/25 settlement to be laid before the House of Commons, for its approval, in late January or early February 2024.

The LGA has issued a [media statement](#) responding to today's statement.

## Key messages

- The evidence of the financial strain on councils has been growing and today's settlement does not provide enough funding to meet the severe cost and demand pressures which have left councils of all political colours and types warning of the serious challenges they face to set balanced budgets next year. Councils in England continue to face a funding gap of £4 billion across this year and next and today's announcement does not change the funding gap facing councils.
- It is therefore unthinkable that Government has not provided desperately needed new funding for local services in 2024/25. Although councils are working hard to reduce costs where possible, this means the local services our communities rely on every day are now exposed to further cuts.
- Shire district councils - which provide vital services like planning and waste and recycling collection - will see a lower core spending power increase on average next year compared to other councils, which is something the Government should address in the final settlement.
- However, these Government forecasts are based on the assumption that councils will raise their council tax by the maximum permitted without a referendum. This leaves councils facing the tough choice about whether to increase council tax bills to bring in desperately-needed funding at a time when they are acutely aware of the significant burden that could place on some households in a year of economic uncertainty and increased costs.
- The LGA has long highlighted that council tax rises – particularly the adult social care precept – have never been the solution to the long-term pressures faced by councils, particularly in social care which is desperately

# Briefing

in need of reform. Increasing council tax raises different amounts of money in different parts of the country, unrelated to need.

- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities and we welcome the confirmation of the provisional amount for 2024/25. Councils need clarity on the future of the New Homes Bonus to be able to plan their budgets beyond next year and into the medium term. Any changes should come with transitional funding to ensure that local authority services that residents rely on are not put at risk.
- Councils hold reserves for a reason. Earmarked reserves are held so they can plan for the future and deal with known risks; unallocated reserves so that councils can respond to immediate events and emergencies. Reserves can only be spent once and using reserves is not a solution to the long-term financial pressures that councils face.
- The Government should commit to the Fair Funding Review, reviewing both the formulas and the underlying data used for the assessment of relative needs and resources. Transitional mechanisms attached to the outcome of the review should provide sufficient funding to ensure that no council experiences a loss of income. There should also be transitional arrangements for any business rates reset.
- This is the sixth one-year settlement in a row for councils which continues to hamper financial planning and their financial sustainability. Only with adequate long-term resources, certainty and freedoms, can councils deliver world-class local services for our communities, tackle the climate emergency, and level up all parts of the country.

## **The settlement in detail**

The Department for Levelling Up, Housing and Communities (DLUHC) has announced the [provisional local government finance settlement for 2024/25](#).

We have provided a glossary of Local Government Finance terms which provides a brief explanation of some of the language used in this briefing. This can be found at Annex B.

**The closing date for responses to the [consultation document](#) is 15 January 2024.** We expect the final settlement to be published in late January / early February 2024.

Our, in person, Local Government Finance conference on 9 January 2024 will cover the 2024/25 provisional local government finance settlement and what it means for local authorities, as well as look to the longer-term outlook for local government in the current economic climate. It will also cover other current topics that local government finance officers and politicians are addressing in their local authorities. [Book your place here](#).

## **Core Spending Power**

The Government figures indicate that total Core Spending Power will rise by 6.5 per cent in 2024/25.

Core Spending Power in 2024/25 consists of:

- Settlement Funding Assessment (which consists of Revenue Support Grant, and the baseline funding level);
- Income from council tax assuming that the tax base grows, and councils increase council tax by the maximum possible allowable under council tax referendum principles<sup>1</sup>;
- Compensation for under-indexing the business rates multiplier;
- The New Homes Bonus;
- The Social Care Grant;
- The Improved Better Care Fund;
- Adult Social Care Market Sustainability and Improvement Fund;
- Adult Social Care Discharge Fund;
- Rural Services Delivery Grant;
- The Services Grant;
- A Funding Guarantee, to ensure that all councils have an increase of 3 per cent in core spending power before any changes in council tax levels are taken into account.

Detailed Core Spending Power figures are included in Annex A.

### **LGA view:**

- The evidence of the financial strain on councils has been growing and today's settlement does not provide enough funding to meet the severe cost and demand pressures which have left councils of all political colours and types warning of the serious challenges they face to set balanced budgets next year. Councils in England continue to face a funding gap of £4 billion across this year and next and today's announcement does not change the funding gap facing councils.
- Shire district councils - which provide vital services like planning and waste and recycling collection - will see a lower core spending power increase on average next year compared to other councils, which is something the Government should address in the final settlement.
- The increase is based on the assumption that councils will increase council tax bills the maximum permitted by referendum limits. This will place a significant financial burden on households in a year of economic uncertainty and increased costs.

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<sup>1</sup> Different assumptions on maximum council tax are built into the published core spending power figures for shire districts, police, fire authorities and the Greater London Authority.

## **Council tax**

The Government has announced the following referendum principles for 2024/25:

- A core referendum principle of up to 3 per cent will apply to shire county councils, shire unitary authorities, metropolitan districts and London boroughs.
- Shire districts will have a referendum principle of up to 3 per cent or £5, whichever is higher.
- Social care authorities will be able to set a 2 per cent adult social care precept without a referendum (in addition to the existing basic referendum threshold referred to above).
- Fire and Rescue Authorities will have a principle of up to 3 per cent.
- £13 for police authorities and police and crime commissioners including the Greater Manchester and West Yorkshire Combined Authorities' precepts.
- The non-police element of the Greater London Authority (GLA) will have a referendum principle of £24.26.
- Bespoke council tax referendum principles for Thurrock, Slough and Woking Borough Councils.
- There will be no referendum principles for mayoral combined authorities (MCAs) except where the Mayor exercises police and crime commissioner functions. In these cases the PCC principle will apply. There are no referendum principles for parish and town councils.

## **LGA view:**

- An increase in council tax of up to 5 per cent will place a significant burden on households particularly during a year of economic uncertainty and increased costs. In addition, increasing council tax raises different amounts of money in different parts of the country not related to need.
- It is disappointing that the Government has continued to rely on council tax and the social care precept to fund adult social care. As we have previously stated, council tax is not the solution for meeting long-term pressures facing high-demand national services such as adult social care.
- We agree that shire districts should have the extra flexibility but would propose a limit of £10 rather than £5. We would also call for standalone fire and rescue authorities to be given the £5 flexibility as was the case in 2023/24.

- We have always maintained that the council tax referendum limit should be abolished so councils and their communities can decide, when the time is right, how local services are paid for, with residents able to democratically hold their council to account through the ballot box.

### **Revenue Support Grant**

The Government is not proposing to change the distribution of Revenue Support Grant (RSG) from that used in 2023/24. The Government proposes to increase 2023/24 RSG levels in line with change between September 2022 and September 2023 [Consumer Price Index](#) (6.7 per cent). This is before accounting for rolled in grants.

The Government will continue to eliminate 'negative RSG'.

The Government will be consolidating the Home Office's Fire and Pensions Grant, worth £115 million, into the Revenue Support Grant. This grant will maintain its existing distribution.

The Government remains committed to improving the local government finance system more broadly in the next Parliament. This will include consideration of how they can go further to simplify and reduce the administrative burden of the funding landscape.

### **LGA view:**

- We welcome the increase in Revenue Support Grant in line with the Consumer Price Index.
- We will be reviewing the implications of the consolidation of the Home Office's Fire and Pensions Grant.

### **Business rates and business rates retention**

As announced in the 2023 Autumn Statement, the small business rates multiplier will be frozen for 2024/25 at 49.9p. The standard business multiplier will rise by CPI to 54.6p. The Government will compensate local authorities for the loss of income for this decision up to the level of the September 2023 Consumer Prices Index (CPI), meaning that, taken together, the increase in the Baseline Funding Level (BFL) and the multiplier under-indexation grant for 2024/25 provide an increase of 6.7 per cent.

Areas currently on 100 per cent business rates retention arrangements will continue in 2024/25, with Greater Manchester Combined Authority and West Midlands Combined Authority moving onto new 10-year trailblazer arrangements. The Greater London Authority will also continue to benefit from increased levels of business rates retention in 2024/25. The Government will

review enhanced arrangements as a source of income for areas and its impact on local economic growth, and as part of deeper devolution commitments as set out in the Levelling Up White Paper.

The business rates revaluation took effect from 1 April 2023, as well as a transfer of some properties from local lists to the central list. The [Government consulted](#) last year on a methodology to make these adjustments for the 2023 revaluation. The year 2 adjustment has been made. A calculator has been provided alongside this consultation for local authorities to see how the adjustment to their tariff or top-up for 2024/25 has been calculated. Councils will also be compensated for their losses from the transferral of properties to the central list.

The Government has [responded](#) to the recent consultation on changes to the way baseline funding levels, top-ups and tariffs are updated, as well as how to continue calculating compensation for lower than consumer price index increases to the small and standard business rates multipliers. The response confirms that the Government will go ahead with the changes and outlines how they will deal with the need to collect more granular data. The Autumn Statement on 22 November confirmed that new burdens funding will be paid to billing authorities to acknowledge the additional administrative and IT costs associated with these changes.

DLUHC is consulting on 24 business rates pools.

#### **LGA view:**

- We welcome the fact that local government will be fully compensated for the freezing of the small business rates multiplier in 2024/25. However, freezing the multiplier reduces buoyancy in the business rates system, and without alternative means of funding or compensation, council income would reduce in the medium term.
- We also welcome the fact that the Government has announced that they will pay New Burdens Funding to deal with the consequences of increasing the standard business rates multiplier whilst freezing the small business rates multiplier.

#### **Social care**

The Government has confirmed the following grants for social care in the 2024/25 settlement:

- The Social Care Grant will be £4.5 billion in 2024/25, an increase of £692 million. The Social Care Grant can be used on either adult or children's social care services. The Government will continue to equalise against the adult social care precept.
- £2.14 billion through the Improved Better Care Fund. This is the same quantum as 2023/24. The distribution is also unchanged.



- An additional £200 million will be distributed in 2024/25 through the Discharge Fund to support timely and safe discharge from hospital into the community by reducing the number of people delayed in hospital awaiting social care. This will bring the overall size of the local authority component of the Discharge Fund to £500 million.
- £1.05 billion in 2024/25 will be distributed for adult social care through the Market Sustainability and Improvement Fund (MSIF), which continues to include £162 million per year of Fair Cost of Care funding. It also includes £205 million MSIF - Workforce Funding (a 2-year fund announced in July 2023 which will be rolled into the existing MSIF).

### **LGA view:**

- Whilst the investment made at Autumn Statement 2022 was very welcome, it is disappointing and concerning that the 2024/25 Local Government Finance Settlement provides no new investment for adult social care beyond that. People who draw on care and support will be understandably worried about the continuing impact of significant pressures on the service. Waiting lists for care assessments or the provision of support remain stubbornly high; serious recruitment and retention challenges continue to beset the workforce; unmet and under-met need remains; instability continues to characterise the provider sector; and directors of adult social services remain worried that their budgets are insufficient to meet all of their statutory duties.
- We also continue to call for a long-term workforce plan for adult social care equivalent to that for the NHS. Councils commission the majority of direct adult social care from external providers. Pressures on the frontline care workforce are acute and challenges around recruitment and retention are well-known. Increases in the National Living Wage (NLW) are therefore welcome, but providers will likely expect to see their increased wage costs reflected in the fees councils pay. This will pose a significant additional pressure on adult social care budgets, which are already considered by many directors to be insufficient to meet all statutory duties.
- With record numbers of children needing support, councils – alongside [charities and campaigners](#) – are united on the urgent need for funding to ensure all children and their families get the support they need, as soon as they need it. Additional funding is urgently needed to stabilise the children's social care system before it is pushed to the brink. The lack of investment in the 2023 Autumn Statement, and the 2024/25 local government finance settlement, risks councils' ability to provide the critical care and support that children rely on every day, and risks diverting essential funding from other council services.
- Recent [LGA research](#) highlighted a sharp increase in the number of placements for children in care that cost more than £10,000 per week. Work to increase transparency around the costs of residential placements for children is therefore welcome, and we continue to discuss with the Department for Education options to expand placement capacity to ensure

that every child lives in a loving home that meets their needs.

### **Services Grant**

The Services Grant will decrease from its 2023/24 level of £483.3 million to £76.9 million for 2024/25. This will be distributed through the Settlement Funding Assessment, in the same way as in 2023/24.

The Government has held a small proportion of the Services Grant back as contingency to cover unexpected movements between the provisional and final settlement.

#### **LGA view:**

- The un-ringfenced Services Grant will provide vital resources for local authority services. There will be some concern in the sector that it has significantly reduced from its 2023/24 level and consideration should be given to the impact of this reduction on individual councils.

### **New Homes Bonus**

Core spending power includes a provisional amount of £291.4 million for the New Homes Bonus (NHB) in 2024/25, compared with £291.3 million in 2023/24. The method for calculating the NHB will not change from 2023/24 and new payments will not attract legacy payments. The threshold over which the bonus is paid remains at 0.4 per cent.

#### **LGA view:**

- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities. Councils need clarity on the future of the NHB following a consultation in 2021. Any changes should come with transitional funding to ensure that local authority services that residents rely on are not put at risk.

### **Funding Guarantee**

The Government has announced that as in 2023/24 it will pay a Funding Guarantee to ensure that all councils will see at least a 3 per cent increase in their Core Spending Power before any decisions about organisational efficiencies, use of reserves or council tax levels. The Funding Guarantee will be funded through the Services Grant.

For eligible authorities, the value of the Funding Guarantee will be the difference between a 3% increase in their 2023/24 Core Spending Power, and their actual increase in Core Spending Power in 2024/25 before any increases to council tax levels. The increase in Core Spending Power used for this calculation excludes any newly rolled-in grants but includes growth in the

council tax base as calculated in the normal way, increases in Baseline Funding Levels and growth in compensation for under-indexing the multipliers. The Funding Guarantee total for 2024/25 is £196.5 million, compared with £133.3 million in 2023/24.

#### **LGA View:**

- Councils receiving this funding will welcome the protection this guarantee offers although this is well below the level of CPI inflation which is currently 6.7 per cent. The majority of councils receiving the funding guarantee are shire district councils and this emphasises the need for them to have access to the additional funding which a higher of 3 per cent and £10 council tax referendum limit would bring.

#### **Rural Services Funding**

The Government proposes to roll-forward the 2023/24 allocations of the £95 million Rural Service Delivery Grant for 2024/25.

#### **LGA view:**

- Councils in rural areas will welcome the continuation of this funding even though it is a real-terms reduction.

#### **Reform**

In the [Local government finance policy statement 2024 to 2025](#) published on 5 December 2023 the Government stated that it remains committed to improving the local government finance landscape in the next Parliament and that at the 2023/24 Settlement, they heard calls from the sector for stability. They say that now is not the time for fundamental reform, for instance implementing the Review of Relative Needs and Resources or a reset of accumulated business rates growth. This continues to be the government's position.

#### **LGA view:**

- The Government should commit to the Fair Funding Review, reviewing both the formulas and the underlying data used for the assessment of relative needs and resources. Transitional mechanisms attached to the outcome of the review should provide sufficient funding to ensure that no council experiences a loss of income. There should also be transitional arrangements for any business rates reset.

#### **Reserves and other areas**

The Government notes that whilst local authority reserves are falling, they remain significantly higher than prior to the pandemic. The Government

continues to encourage local authorities to consider, where possible, the use of their reserves to maintain services in the face of pressures.

The Government has extended the flexibility to use capital receipts, to fund the revenue costs of reducing costs and improving efficiency, to March 2030. It has also committed to engage with the sector to explore additional capital flexibility options to enable invest-to-save and transformation initiatives.

The Government says that the Exceptional Financial Support framework is available to provide support where a council has a specific and evidenced concern about its ability to set or maintain a balanced budget, including where there has been local financial failure. The Government states that where councils need additional support, they should take every possible step to minimise the need for that support to be funded by national taxpayers, while also recognising the cost-of-living pressures on families. As part of that process, the Government will consider representations from councils, including on council tax provision.

#### **LGA view:**

- Councils hold reserves for a reason. Earmarked reserves are held so they can plan for the future and deal with known risks; unallocated reserves so that councils can respond to immediate events and emergencies. Reserves can only be spent once and using reserves is not a solution to the long-term financial pressures that councils face.
- The extension of the flexible use of capital receipts scheme for an additional four years up until March 2030 is welcome. We continue to call on the Government to make the arrangement permanent. We look forward to discussing proposals for additional capital flexibility options with the Government.
- The Exceptional Financial Support that has been offered has been either an increased council tax referendum limit, or a capitalisation direction. The latter enables revenue costs to be spread over more than one year by being funded by borrowing or by capital receipts. Both of these will be funded by the local taxpayer.

#### **Four day working week' practice and equivalent arrangements**

The Government is issuing a data collection, to run alongside the consultation period, to determine which local authorities' current or proposed operations for 2024/25 fall within the definition of the 'four day working week'. The Government has said it is considering which financial levers could be used in future settlements to disincentivise local authorities from operating a 'four day working week' (or equivalent arrangements of part time work for full time pay) and want to seek the views of the sector about how this could be affected and what impact it would have.

## **LGA view:**

- More than nine in 10 councils are experiencing staff recruitment and retention difficulties across a diverse range of skills, professions and occupations. It is councils who know what works best for their community, workforce and in their wider labour market conditions. They should be free to pilot innovative solutions to address local challenges and deliver crucial services to their residents without being penalised financially. Local voters should be the ones making a judgement on whether local council leaders have made good choices and delivered value for local taxpayers.

## **Education and early years**

The Department for Education has announced that [High needs funding is increasing by £440 million, or 4.3 per cent, in 2024/25](#). The high needs national funding formula (NFF) will ensure that every council receives at least a 3 per cent increase per head of their 2-18 population, with the majority of councils seeing gains of more than 3 per cent.

The Department has also announced that [funding through the mainstream schools NFF is increasing by 1.9 per cent per pupil in 2024/25](#).

To support the early years education and childcare expansion, the Department for Education has recently announced [the hourly funding rates for the funding of early education entitlements](#) for each local authority. There has also [been grant funding](#) announced to support local authority early education teams with the expansion. In a [response](#) to a consultation on the expansion, the Government has highlighted that all entitlement formulae and additional funding streams will be extended to all children under the entitlements.

The Department for Levelling Up, Housing and Communities announced, as part of the [local government policy statement 2024 to 2025](#), the statutory override for the Dedicated Schools Grant will continue up to the 31<sup>st</sup> March 2026.

## **LGA view**

- While we welcome the previously announced additional £440 million, or 4.3 per cent increase in council high needs funding for 2024/25, this does not go far enough in helping councils support all children and young people with SEND, when demand for Education, Health and Care Plans (EHCPs) continues to rise year-on-year. A total of 517,000 children and young people currently have an EHCP, an increase of 9 per cent in the last year alone.
- Many schools have been raising concerns about their financial stability with councils. Schools are facing increased costs from fuel, energy and food for school meals, alongside the need to fund agreed staff pay rises, and support a growing number of pupils experiencing disadvantage. We are therefore concerned that the 1.9 per cent increase in per pupil funding for 2024/25 does not go far enough in addressing the funding challenges that schools are currently facing. The [Institute of Fiscal Studies' annual](#)

[education spending](#) report, published on the 11 December, estimates that the core schools budget of £58.6 billion for 2024/25, while reversing past reductions, will only return per-pupil school spending to 2010 levels, based on standard measures of economy-wide inflation.

- Education starts long before school and a strong early years sector can maximise the life chances of all children as part of our shared ambition with Government to level-up communities and reduce inequalities across the country. The recent funding announcements are welcomed but this is based on a historic underfunding of early years entitlements leading to a volatile early years system with providers leaving the market and parents without access to provision. It is not yet clear if the funding rates announced will be sufficient to reverse this. Furthermore, local authority early years teams are under significant pressures and despite some grant funding, have raised concerns about their capacity to support the market alongside limited tools and levers.
- Confirmation that the Statutory Override for the Dedicated Schools Grant will continue until 31<sup>st</sup> March 2026 provides councils with some breathing space regarding high needs deficits, but we are concerned that the lack of certainty beyond 2026 will increasingly impact on council's medium term financial strategies. We therefore continue to call for the Government to write off all high needs deficits as a matter of urgency to provide certainty and ensure that councils are not faced with having to cut other services to balance budgets through no fault of their own or their residents.

## **Public health**

Indicative allocations for the Public Health Grant in 2024/25 were [published in March 2023](#) and will increase to £3.575 billion. No further detail was provided within the provisional Local Government Finance Settlement today.

The Government has previously stated that further specific investment will continue to improve the Start for Life offer and support improvements in the quality and capacity of drug and alcohol treatment. They are also providing a further £70 million per year from 2024/25 to support local authority-led efforts to stop smoking. According to the Government, this total funding package will deliver a real terms increase of more than 7 per cent in DHSC investment in local authority public health functions over the 2 years 2023/24 and 2024/25.

### **LGA view:**

- The LGA has long been calling for councils to have earlier clarity about their public health funding. It is good the Government has published the indicative grant allocations earlier, this will help councils plan investment in vital sexual health, addiction treatment, health visiting and school nursing services for the year ahead. However, councils still await announcement of their final Public Health Grant allocations.
- Public health teams have faced an unprecedented period of funding and demand pressures and continue to face significant pressures and

challenges. Sufficient ongoing funding is needed to ensure all local authorities can continue to meet their statutory public health responsibilities.

- Local authority public health interventions funded by the grant provide excellent value for money. However, we are concerned about the piecemeal nature of some of this. Although one-off pots of funding are helpful in the short-term, long-term clarity is needed if councils are to truly improve health outcomes in their communities.
- Services such as local sexual health clinics have seen record demand coupled with staffing shortages. At a time when NHS and social care pressures are greater than ever, vital sexual health, drug, alcohol and health visiting services cannot keep living a hand to mouth existence with insufficient resources to meet this demand.
- A coordinated Government wide strategy is required to improve the nation's health together with a commitment to funding public health properly.

### **Fire Funding**

As set out above, Fire and Rescue Authorities (FRAs) will be able to raise their precept by up to 3 per cent in 2024/25.

Fire authorities will also receive an increase in their business rates funding baseline and revenue support grant in line with inflation, including compensation for under-indexing the business rates multiplier and will be entitled to the Funding Guarantee.

The Government will be consolidating the Home Office's Fire and Pensions Grant, worth £115 million, into the Revenue Support Grant. This grant will maintain its existing distribution.

### **LGA view:**

- The referendum limit of 3 per cent is below the £5 given to standalone fire and rescue authorities in 2023/24. This will come as a disappointment. We call for standalone fire and rescue authorities to be given the £5 flexibility as was the case in 2023/24.
- Fire and rescue services need to be funded to take account of the full range of risks, demands and cost pressures they face. The sector also needs to be funded properly in order to engage in meaningful reform and transformation.
- We will be reviewing the implications of the consolidation of the Home Office's Fire and Pensions Grant. The outcomes of the cases on discriminatory practices in the fire fighters pension scheme will have implications for the pension administrative costs and employer contributions to be made by FRAs. Unless these additional cost pressures are funded by Government, they will have a significant impact on FRA budgets in 2024/25

and beyond.

### **Police Funding**

The [Provisional Police Grant Report 2024/25](#) was published by the Home Office on 14 December 2023. Overall funding for policing will rise by up to £922 million compared to the 2023/24 funding settlement (assuming police and crime commissioners raise council tax by the maximum permitted by the referendum principle of £13). This brings the total up to £18.4 billion for the policing system. Over £200 million will go into Government priority projects like funding Violence Reduction Units, tackling county lines and boosting hotspot policing of anti-social behaviour.

### **Further Information**

To help inform the LGA's response to the consultation settlement we will continue to analyse the settlement to develop a deeper understanding of the effect on councils. To further inform the LGA's response please send your responses to, and any comments on, the settlement to [lgfinance@local.gov.uk](mailto:lgfinance@local.gov.uk).

For further information on the content of this briefing please contact Mike Heiser, Senior Adviser (Finance) ([mike.heiser@local.gov.uk](mailto:mike.heiser@local.gov.uk) / 020 7664 3265) and Arian Nemat, Public Affairs and Campaigns Adviser ([arian.nemati@local.gov.uk](mailto:arian.nemati@local.gov.uk) / 07799 038403).



<b>Annex A: Core Spending Power</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Settlement Funding Assessment</b>	<b>21,249.9</b>	<b>18,601.7</b>	<b>16,632.6</b>	<b>15,574.2</b>	<b>14,559.6</b>	<b>14,796.9</b>	<b>14,809.7</b>	<b>14,882.2</b>	<b>15,671.1</b>	<b>16,562.7</b>
<b>Compensation for under-indexing the business rates multiplier</b>	<b>165.1</b>	<b>165.1</b>	<b>175.0</b>	<b>275.0</b>	<b>400.0</b>	<b>500.0</b>	<b>650.0</b>	<b>1,275.1</b>	<b>2,204.6</b>	<b>2,581.3</b>
<b>Improved Better Care Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>1,115.0</b>	<b>1,499.0</b>	<b>1,837.0</b>	<b>2,077.0</b>	<b>2,077.0</b>	<b>2,139.8</b>	<b>2,139.8</b>	<b>2,139.8</b>
<b>Rural Services Delivery Grant</b>	<b>15.5</b>	<b>80.5</b>	<b>65.0</b>	<b>81.0</b>	<b>81.0</b>	<b>81.0</b>	<b>85.0</b>	<b>85.0</b>	<b>95.0</b>	<b>95.0</b>
<b>Transition Grant</b>	<b>0.0</b>	<b>150.0</b>	<b>150.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Adult Social Care Support Grant</b>	<b>0.0</b>	<b>0.0</b>	<b>241.1</b>	<b>150.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>New Homes Bonus</b>	<b>1,167.6</b>	<b>1,461.9</b>	<b>1,227.4</b>	<b>947.5</b>	<b>917.9</b>	<b>907.2</b>	<b>622.3</b>	<b>556.0</b>	<b>291.3</b>	<b>291.4</b>
<b>New Homes Bonus - returned funding</b>	<b>32.4</b>	<b>23.1</b>	<b>24.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Winter pressures Grant</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>240.0</b>	<b>240.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Social Care Support Grant</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>410.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Social Care Grant</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,410.0</b>	<b>1,710.0</b>	<b>2,346.4</b>	<b>3,852.0</b>	<b>4,544.0</b>
<b>Market Sustainability and Fair Cost of Care Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>162.0</b>	<b>0.0</b>	<b>0.0</b>
<b>ASC Market Sustainability and Improvement Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>562.0</b>	<b>1,050.0</b>
<b>Lower Tier Services Grant</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>111.0</b>	<b>111.0</b>	<b>0.0</b>	<b>0.0</b>
<b>ASC Discharge Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>300.0</b>	<b>500.0</b>
<b>Services Grant</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>822.0</b>	<b>483.3</b>	<b>76.9</b>
<b>Grants Rolled In</b>	<b>209.2</b>	<b>256.5</b>	<b>247.5</b>	<b>238.8</b>	<b>335.8</b>	<b>338.0</b>	<b>345.1</b>	<b>345.4</b>	<b>480.0</b>	<b>0.0</b>
<b>Funding Guarantee</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>133.3</b>	<b>196.5</b>
<b>Council Tax Requirement</b>	<b>22,035.9</b>	<b>23,247.3</b>	<b>24,665.8</b>	<b>26,331.6</b>	<b>27,767.8</b>	<b>29,226.9</b>	<b>30,308.2</b>	<b>31,922.5</b>	<b>33,984.3</b>	<b>36,062.2</b>
<b>Core Spending Power</b>	<b>44,875.7</b>	<b>43,986.1</b>	<b>44,544.0</b>	<b>45,337.1</b>	<b>46,549.1</b>	<b>49,337.0</b>	<b>50,718.3</b>	<b>54,647.4</b>	<b>60,196.7</b>	<b>64,099.8</b>
<i>Year-on-year Change (£ million)</i>		<i>-889.6</i>	<i>557.9</i>	<i>793.1</i>	<i>1,212.0</i>	<i>2,787.9</i>	<i>1,381.3</i>	<i>3,929.1</i>	<i>5,549.3</i>	<i>3,903.0</i>
<i>Year-on-year Change (%)</i>		<i>-2.0%</i>	<i>1.3%</i>	<i>1.8%</i>	<i>2.7%</i>	<i>6.0%</i>	<i>2.8%</i>	<i>7.7%</i>	<i>10.2%</i>	<i>6.5%</i>

Source: [Core Spending Power Supporting Information](#)

## Notes

- The figures presented in Core Spending Power (CSP) do not reflect the changes to Settlement Funding Assessment made for authorities with increased Business Rate Retention arrangements.
- From 2020/21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced for alleviating winter pressures.
- From 2020/21, Social Care Support Grant allocations were rolled into the Social Care Grant.
- From 2023/24, Market Sustainability and Fair Cost of Care Fund allocations were rolled into the Adult Social Care Market Sustainability and Improvement Fund.
- CSP total figures may not sum to those published due to rounding.
- The Services Grant allocation for the Isle of Wight council includes an additional £1 million that was allocated to the council for 2022/23, 2023/24 and 2024/25 in recognition of the unique circumstances facing the Isle of Wight and its physical separation from the mainland. This funding is reviewed each year as part of the local government finance settlement.
- Grants rolled in includes the £115 million allocation of Fire Pension Grant for the years 2019/20 to 2023/24; Fire Pensions Grant allocations are included in Settlement Funding Assessment for 2024/25. Grants rolled in includes the £365 million allocation of Market Sustainability and Improvement Fund Workforce Fund for the year 2023/24; this is included in Adult Social Care Market Sustainability and Improvement Fund for 2024/25. Also included in this row are grants rolled in at previous settlements: the Family Annexe Council Tax Discount grant, Local Council Tax Support Administration Subsidy grant, the Independent Living Fund.
- Council Tax calculations for 2024/25 do not take into account the additional flexibilities granted by the Department to councils in extreme financial circumstances. These additional flexibilities have been granted in very specific circumstances by the Secretary of State, where the scale of the issues facing the councils is exceptional.

## **Annex B – Glossary of Local Government Finance Technical Terms**

<b>Adult Social Care Discharge Grant</b>	A grant for 2024/25 to facilitate reduced delays in discharges from hospital. The funding will be required to be pooled as part of the Better Care Fund and will be paid out using the existing Improved Better Care Fund grant shares.
<b>Adult Social Care Market Sustainability and Improvement Fund</b>	A grant ring-fenced for adult social care to support capacity and discharge. It is allocated using the adult social care relative needs formula.
<b>Adult Social Care Precept</b>	Local authorities with responsibility for adult social care have flexibility to raise additional council tax above the referendum threshold. Funding raised through this additional ‘precept’ must be used entirely for adult social care.
<b>Affordable Homes Premium</b>	As part of the New Homes Bonus, affordable homes delivered in an area attract an additional £350 per unit on top of the standard Bonus grant.
<b>Area Cost Adjustment (ACA)</b>	A factor to reflect the differences in service cost delivery in different areas. The current ACA reflects differences in wages (the ‘Labour Cost Adjustment’) and differences in rateable values (the ‘Rates Cost Adjustment’) between local authorities across the country.
<b>Baseline Funding Level</b>	The amount of an individual local authority’s 2013/14 Settlement Funding Assessment provided through the local share of retained business rates income, updated for inflation
<b>Better Care Fund (BCF)</b>	A single pooled budget for health and social care services, based on a plan agreed between the NHS and local authorities.
<b>Business rates baseline</b>	The business rates baseline for each authority determined at the start of the 50 per cent business rates retention scheme in 2013/14, uprated in line with the small business rates multiplier each year.
<b>Business rates baseline funding level (BFL)</b>	The amount of the settlement funding assessment (SFA) provided through the local share of business rates.
<b>Business rates pool</b>	Under the business rates retention scheme local authorities are able to come together, on a voluntary basis, to pool their business rates. Top-ups and tariffs, as well as levies and safety nets are calculated at a pool-wide level. Pools have to be approved by DLUHC annually and are set out in the Local Government Finance Report.
<b>Business rates revaluation</b>	A regular exercise by the Valuation Office Agency, to reassess the rateable value of individual non-domestic hereditaments. The results are used to set new business rates bills. A revaluation on the basis of April 2021 values came into effect in April 2023. The next revaluation will be in April 2026.
<b>Central Share</b>	The percentage share of locally collected business rates paid to central government by billing authorities. In 2013/14 when business rates retention began this was set at 50 per cent. The central share is redistributed to local government through grants including the Revenue Support Grant.

<b>Core Spending Power</b>	The government's measure of the core components of local government funding, comprising the Settlement Funding Assessment, assumed income from council tax (including the adult social care precept), New Homes Bonus, Rural Services Delivery Grant, grants for social care and the funding guarantee.
<b>Council Tax referendum principles</b>	These mark levels of council tax increases above which a local authority must hold a referendum which allows residents to approve or veto the increase. The comparison is made between the authority's average Band D council tax level for the current financial year and the proposed average Band D for the next financial year.
<b>Dedicated Schools Grant</b>	The Dedicated Schools Grant is the principal source of funding for schools and related activities in England. It is a ringfenced grant paid to local authorities for maintained schools. School-level allocations are currently determined in consultation with the schools forum in each local authority area. From April 2017 has also included the 'retained duties' element previously paid as part of the Education Services Grant
<b>Devolution Deals</b>	Devolution Deals were introduced in 2014 and are a bespoke arrangement tailored to certain local authorities. They give local government greater powers and more autonomy over budgeting
<b>Equalisation of the Adult Social Care precept</b>	The process through which a proportion of Social Care Grant funding is used to take account of the impact of the distribution of the Adult Social Care council tax precept.
<b>Estimated Business Rates Aggregate</b>	The total business rates forecast at the outset of the Business Rates Retention system to be collected by all billing authorities in England in 2013/14, used to calculate baseline funding levels and business rates baselines in 2013/14.
<b>Funding Guarantee</b>	This is a grant for 2024/25 that ensures all councils have a minimum 3 per cent increase in Core Spending Power before any decisions about efficiencies, use of reserves and increasing the level of council tax.
<b>Improved Better Care Fund (iBCF)</b>	Additional funding for adult social care authorities from 2017/18 onwards that has to be included within the Better Care Fund plans.
<b>Levy</b>	A mechanism whereby any business rates retention gain above a certain level is paid to the Government. The levy rate cannot exceed 50 per cent of business rate retention gains.
<b>Levy account</b>	A Government account into which proceeds from the business rates levy, and any top-slice, are paid and which is used to pay safety net to qualifying authorities. Any surplus is to be returned to authorities.
<b>Local Share</b>	The percentage share of locally collected business rates retained by local government. This was set at 50 per cent at the implementation of business rates retention.

<b>(Business Rates) Multiplier</b>	The business rates multiplier when multiplied by the rateable value of a property determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. Unless the Government decides to set a lower increase, these multipliers are updated annually by the Consumer Prices Index.
<b>Negative Revenue Support Grant (RSG)</b>	A downward adjustment of a local authority's business rates top-up or tariff resulting in no revenue support grant and a reduction in the business rates baseline funding level. This occurs as a consequence of changes to the distribution methodology adopted at the 2016/17 settlement.
<b>New Homes Bonus (NHB)</b>	A grant paid to reward local authorities for the number of homes built and brought back into use. The level of funding for an area reflects additional housing supply in that area. For 2024/25 this will be paid for one year only.
<b>Precept</b>	A council tax charge from local authorities which do not issue bills themselves. These include county councils, police and crime commissioners, fire and rescue authorities, the Greater London Authority, combined authority mayors, and town and parish councils. Billing authorities – usually shire district councils or unitary authorities – collect council tax on behalf of precepting authorities and pass the proceeds to them.
<b>Referendum Threshold</b>	A referendum threshold is an amount set by Central Government by which local authorities can increase council tax without needing to hold a referendum to seek approval from residents on the increase.
<b>Relative Needs Formula (RNF)</b>	A relative needs formula provides a way of assessing the relative need for a particular service or set of services across different local authorities. Relative Needs Formulas are used to estimate the relative funding requirement for each local authority in England and incorporate factors such as demography and deprivation.
<b>Revenue Support Grant</b>	A grant paid to local authorities as part of the Settlement Funding assessment (see below) which can be used to fund revenue expenditure on any service.
<b>Rural Services Delivery Grant</b>	A grant paid to the top quartile of local authorities on the basis of the super-sparsity indicator, in recognition of possible additional costs for rural councils.
<b>Safety Net</b>	A mechanism to protect any authority which sees its business rates income drop, in any year, by more than a given level below their baseline funding level. In 2024/25 this level is set at 7.5 per cent for authorities with 50 per cent business rates retention and 3 per cent for authorities with 100 per cent business rates retention.
<b>Section 31 Grant</b>	A grant paid to local councils under Section 31 of the Local Government Act 2003, under such conditions as the minister may determine. This

	mechanism is used to compensate local authorities for the costs of additional business rates reliefs announced by Government.
<b>Services Grant</b>	An unringfenced grant distributed using local authority shares of 2013/14 Settlement Funding Assessment, adjusted for local authority restructuring where necessary.
<b>Settlement Funding Assessment (SFA)</b>	This is a local authority's share of the local government spending control total which will comprise its Revenue Support Grant for the year in question and its baseline funding level.
<b>Small Business Rate Relief</b>	Businesses with a property with a rateable value of £12,000 and below receive 100 per cent relief on business rates. Businesses with a property with a rateable value between £12,000 and £15,000 receive tapered relief.
<b>Social Care Support Grant</b>	A non-ringfenced grant for adult and children's social care services.
<b>Top-Ups and Tariffs</b>	The difference between an authority's business rates baseline (the amount expected to be collected through the local share of business rates) and its baseline funding level (the amount of SFA provided through the local share). Tariff authorities make a payment and top-up authorities receive a payment. Tariffs and top-ups are uprated in line with the small business rates multiplier each year. After a revaluation they are recalculated so that authorities do not have gains or losses solely due to business rates revaluation.
<b>Under-indexing grant</b>	A grant provided by the Department of Levelling Up Housing and Communities (DLUHC) to compensate councils for the impact of the Government's decisions to increase the business rates multiplier by lower than the Consumer Price Index (the Retail Prices Index before 2023/24) (so-called 'underindexing'). This is intended to make sure that councils do not experience funding reductions as a result of this policy.

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Submitted to Provisional local government finance settlement 2024-25 consultation  
Submitted on 2024-01-05 14:11:18

## Introduction

What is your name?

Name:  
Rob Davisworth

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Email:  
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Who is this an official response from?

Select from the following:  
Unitary Authority

Name of organisation:  
REDCAR AND CLEVELAND BOROUGH COUNCIL

What is your position?

Position/job title:  
Chief Accountant

## Distribution of the Settlement Funding Assessment

1 Do you agree with the government's proposed methodology for the distribution of the Revenue Support Grant in 2024-25?

Neither agree or disagree

Please explain your answer:

The Council is supportive of increasing the Council's share of RSG by CPI for 2023/24, to reflect the inflationary and demand challenges faced by the Council in key service areas. However, the Council does not agree with the Government's intention to delay any review of the distribution of RSG, and indeed baseline funding levels for a further year. Indeed, it would appear that any such review will now be delayed beyond the next General Election, and therefore we assume would not be implementable until 2026/27 at the earliest. This distribution methodology is eleven years out of date and in significant need of review. The Government's delays in reforming the level and allocation of funding to local government, in line with the principles of levelling up, is now heavily over-due and causing councils with relatively high levels of deprivation and social care responsibilities significant financial challenges. This is compounded by the fact that relatively deprived local authorities have less buoyant tax bases which result in councils such as Redcar and Cleveland having difficulties making up this shortfall through the local collection of additional council tax precept income (even after applying the maximum combined permitted council tax increase of 5%). The Council also wish to see the Government committing to multi-year financial funding settlements which allow for more long-term certainty over funding levels and based on up-to-date inflation projections from the Office of Budget Responsibility and HM Treasury.

2 Do you agree with the government's proposals to roll grants into the local government finance settlement in 2024-25?

Agree

Please explain your answer:

The Council is broadly supportive of simplifying the grants systems for local government. The proposed grants to be rolled into RSG are however irrelevant and immaterial for the Council as a Unitary Authority. The Council would ask that the Government also consider focusing on reducing the number of grants which need to be subject to a competitive bidding process and make the financial reporting requirements (and signing off) more consistent, and less burdensome in overall terms. For example, the Government have in recent years attached additional terms and conditions to various new social care grant funding such as the Adult Social Care Market Sustainability and Improvement Fund, Discharge Fund and Improved Better Care Fund which create additional administrative burdens for Councils. RCBC would encourage the Government to therefore be much bolder in reducing the administrative burden attached to specific grants awarded for social care funding to provide more autonomy to local authorities to manage these funding allocations.

## Council Tax

3 Do you agree with the proposed package of council tax referendum principles for 2024-25?

Disagree

Please explain your answer:

No, the Council does not agree with these proposals. The Government needs to recognise the significant disparities in council tax levels across the country, driven in large part by structural differences in local government finance distribution, and the fact that unitary authorities in deprived parts of the Country must rely more heavily on increasing council tax levels more significantly to meet a significant funding gap created by a less buoyant council tax base. The Government's analysis of Core Spending Power abilities of local authorities is artificially overstated and is assumed that these councils will automatically choose to raise council tax to a maximum level, when in actual fact such decisions place significant financial pressures on local residents, particularly in Boroughs where there are a relatively high proportion of Band A and B council tax payers, who will struggle to absorb a 5% increase in their Council Tax bills, and do not fully address the cost pressures faced by councils such as Redcar and Cleveland with significant demand-led pressures fuelled by relatively high levels of deprivation. The core spending analysis also fails to take into account the risks of non-collection of bad debts associated with council tax, which is a more prevalent issue in deprived local authorities and often result in the Council carrying over collection fund deficits. The Government must give more attention to a more fundamental review of local government finance distribution, the significant differences across local government in the funding of local government by council tax and address the disparities in funding levels this has created, including the gearing effect of changes in Council Tax levels across local authorities with differing levels of wealth and deprivation. It is disappointing that the Government has continued to rely on council tax and the social care precept as part of its package to increase funding for adult social care. Council tax increases are not the solution for meeting long-term pressures facing high-demand national services such as adult social care and service areas such as children's social care where there is a strong correlation between demand levels and deprivation indicators.

## Funding Guarantee

4 Do you agree with the government's proposals to maintain the Funding Guarantee for 2024-25?

Neither agree or disagree

Please explain your answer:

The Council was broadly supportive of the principles of the guarantee for 2023/24. However, this funding should be more effectively targeted to support local authorities with social care responsibilities in relatively deprived parts of England where it is not possible to bridge the funding shortfall with Council Tax rises. The Council is not scheduled to receive this funding for 2024/25, and it would appear that in order to fund this guarantee for some other English local authorities, a disproportionately large reduction in the Service Grant (an 84% reduction between 2023/24 and 2024/25) has been inflicted on the Council which has resulted in a larger budget gap than the one expected when the Council produced its Budget Proposals in early December 2023.

## Distribution of Adult and Children's Social Care Resources

5 Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2024-25?

Neither agree or disagree

Please explain your answer:

The Council welcomes additional Social Care Grant funding allocated as part of this settlement. However, aside from an increase in Discharge Funding (which has seemingly been funded from an unexpectedly large reduction in services grant), the funding does not represent an increase over and above the provisional allocations announced for 2024/25 in Autumn 2022. Furthermore, the element of the increase funded from delays to the implementation of adult social care charging reforms does not appear to be guaranteed in the medium-term (from 2025/26 and beyond) and therefore places the Council's medium Term Financial position at risk.

This funding does not address the significant inflationary and demand-led pressures facing social care, which are being experienced by the Council and other Unitary local authorities. The extra social care grant of £0.692 billion announced on 18 December 2023 equates to around an additional £2.313 million of grant funding to fund social care pressures for the Council. However, the Council is having to increase its budgets for both children and adult social care by around £11.8 million in 2024/25 just to meet the inflationary demands of care providers and cater for the exceptional increased demand in children's social care costs. Therefore, the additional funding is wholly inadequate to meet these additional combined adult and children social care costs and is therefore forcing the Council to make service cuts across the next two financial years (2024/25 and 2025/26) of £8.461 million.

One area of particular concern over recent years has been the increasing number of children requiring social care support, and the spiralling costs of placements for children needing to be brought into care, in particular residential care placements. During 2023/24, there has been a 12.5% increase in the number of children in our care, and the costs of providing this care have been compounded by a steep rise in the costs of finding residential placements (up 46%) for children who cannot be cared for by wider friends & family or in a foster care setting. The pressures facing children's services have become unsustainable since the Pandemic and the Provisional Finance Settlement issued by the Government seemingly failed to address these escalating costs. The combination of real terms funding cuts over the last decade, coupled with rising demand from families is having a major impact on services, with the most deprived local authorities impacted the most. Children in the most deprived 10% of small neighbourhoods in the UK are over 10 times more likely to be in foster or residential care or on protection plans than children in the least deprived 10% (Bywaters et al, 2020). This is certainly the case in Redcar and Cleveland, with our children in care rates being well above the England average, and double that of more affluent areas in the country who have the added advantage of wealthier tax bases from which to raise revenue locally to fund services.

Additional funding needs to be made available specifically for council areas facing higher children's social care pressures, and the allocation of this funding should take full account of the ability of councils to raise revenue locally. Further investment is needed in the preventative and early help services that children and families need, as well as the children's social care workforce and the additional placements required for children in residential care. In terms of Adult Social Care, our local care providers are requiring significant additional increases in their fees because of increases in the national living wage from April 2024, significant challenges in the recruitment of social care workers and rising costs associated with residential running costs, utilities, petrol, insurance and food. The additional funding will not fully cover the inflationary pressures we expect. The Council's recent Budget Proposals anticipated an increase in the National Living Wage from April 2024 of around 7.1%. However as part of the 2023 Autumn Statement, and following



recommendations of the Low Pay Commission, the National Living Wage is expected to rise by 9.8%, which will inevitably feed into higher costs of adult social care. The fact that funding allocations for social care have not increased to cater for these unexpected increases, means that the Council will need to make more widespread cuts to frontline service provision as it is unable to bridge the resultant funding shortfall from locally generated taxation and fee income.

It is extremely disappointing that Improved Better Care Funding will be cash-limited in 2024/25, as this does not acknowledge or reflect the significant inflationary and payroll cost pressures facing the Council and its health partners.

Additional Hospital Discharge funding is welcome, however this additional funding should not be included and quoted as part of increases to the overall core spending power of the Council due to the terms and conditions of this funding which means it is ring-fenced and needs to be used collaboratively with local health services.

Additional Market Sustainability and Improvement funding is very welcome, however the allocations remain broadly in line with those provisionally announced a year earlier for 2024/25. The Council believes the additional reporting requirements around this funding are very onerous and prescriptive. It would be more helpful if the funding was rolled up as part of wider social care grant funding. It is imperative that the Government provides a long-term commitment to this funding, as it would appear the Workforce element of this fund is limited to two years and will therefore be withdrawn from 2025/26, leaving Council's exposed to funding costs of adult social care providers without the necessary funding support.

## Other grants – New Homes Bonus, Rural Services Delivery Grant and Services Grant

6 Do you agree with the government's proposals for New Homes Bonus in 2024-25?

Disagree

Please explain your answer:

No, the Council does not agree with this approach. New Homes Bonus funding allocations are profoundly inequitable, as they doubly reward relatively wealthy councils with buoyant council tax bases. The Council strongly suggests the New Homes Bonus funding mechanism should be scrapped immediately (and therefore recast the finalised 2024/25 Local Government Finance settlement) and the freed-up funding reallocated via an entirely needs-based formulae to social care local authorities.

7 Do you agree with the government's proposals for Rural Services Delivery Grant in 2024-25?

Neither agree or disagree

Please explain your answer:

No comment

8 Do you agree with the government's proposals for Services Grant in 2024-25?

Disagree

Please explain your answer:

The unringfenced Services Grant provided vital additional resources for local authorities in 2022/23 and 2023/24. However, this Grant has been significantly reduced (nationally by 84% and locally for RCBC by 84.3%). This reduction is not explained in any detail whatsoever by the Government and is a significantly larger reduction than was planned for by RCBC and the wider local government sector. More explanation is required to explain why the Services Grant has been cut so drastically and what if any funding has replaced it (whether it be the funding of the Funding Guarantee, the indexation of the Business Rates Multiplier Compensation or uplifts to overall baseline funding levels). The extent of this funding reduction was not made sufficiently clear to local authorities as part of this year's financial planning arrangements. This significant reduction in this funding source has created a direct additional budget pressure of around £1 million for 2024/25 which cannot be quickly addressed as part of the 2024/25 budget setting process.

The Government have also not recognised the more challenging cost issue of a local government pay settlement in 2023/24 which averaged around 6.2% for the Council, and which created a significant £1.5m base budget pressure to resolve in 2023/24 and 2024/25. The recently announced 9.8% increase in the National Living Wage from 1 April 2024 will also in all likelihood place significant upward pressure on the eventual 2024/25 pay award, and the Council are having to revised upwards their projections for next years composite average pay award.

To alleviate the financial pressures referred to in this question, and questions set out above, the Council also wishes to point out that fees and charges make up an increasingly important element of the funding available to the council to delivery its services. However, a number of fees and charges are set at a statutory level nationally, and some of these statutory fees have not been increased for 2024/25, despite inflationary pressures running at historic highs in the last two years. The Council formally requests that increases for all statutory fees levied by local authorities, are considered by the Government, to allow the associated income to keep pace with the increased cost of delivering services. This request is included within our consultation response to the provisional finance settlement as it is directly relevant to the overall funding being made available to councils and the resultant challenges faced by the sector.

## Impacts of these proposals

9 Do you have any comments on the impact of the proposals outlined in this consultation document on persons who share a protected characteristic?

No

If yes, please add your comments and provide supporting evidence:

## Part Time Work for Full Time Pay

10 Do you have any views about the Government using levers in future local government finance settlements (those occurring after 2024-25) to disincentivise the 'four day working week' and equivalent arrangements of Part Time Work for Full Time Pay?

No

If yes, please add your comments: