Herefordshire Council

MEDIUM TERM FINANCIAL STRATEGY 2025/26 TO 2028/29

Introduction

1.1 The Medium Term Financial Strategy (MTFS) is the council's key financial planning document and sets out the council's budget for 2025/26 and the financial plan for the years to 2028/29. The strategy sets out how the council's priorities will be funded over the MTFS period and the financial risks and pressures that must be mitigated in order to successfully deliver corporate objectives.

1.2 This MTFS provides the strategic framework for managing the council's finances and ensures that:

- resources are aligned to achieve corporate objectives detailed in the County Plan over the medium/longer term; and
- the Revenue Budget, Capital Investment Budget, Treasury Management Strategy and required Prudential Indicators are appropriately aligned.

1.3 The council has a gross expenditure budget of around £400 million which is used to deliver services to nearly 200,000 residents across rural villages and market towns. These services include maintenance of over 2,000 miles of roads, collection of over 89,000 residential bins, safeguarding around 1,000 children (including 400 in our care) and providing care and support to approximately 2,500 vulnerable adults.

1.4 The council employs over 1,200 staff and supports many more local jobs through contacts with local business. The local economy combines long-standing agriculture and food production industries alongside innovative businesses in cyber and technology, construction and engineering.

1.5 The council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from its resources. This includes taking properly informed decisions and managing key operational and financial risks in order to deliver objectives and safeguard public money. Using resources wisely is a core principal of financial management and the council continues to identify efficiencies in service delivery and maximise purchasing power to ensure value for money is achieved for the residents and businesses of Herefordshire.

1.6 The Herefordshire Council Plan 2024-28 sets out how the council will make its contribution to achieving success across the county; delivering the best for Herefordshire in all areas of service delivery and developing a council that engages with the communities it serves.

1.7 The Plan sets out the vision for the future, with a focus on key priorities of People, Place, Growth and Transformation, with partnership working at the core of all activity. The themes and ambitions which underpin the Council Plan inform the financial plans including the annual budget and MTFS.

1.8 The MTFS proposes a balanced revenue budget which totals £232.0 million for 2025/26; achieved by a 4.99% increase in council tax and planned savings of £3.9 million. The net revenue budget for 2025/26 is detailed at Annex A.

National and Local Financial Risk

Wider Economic Context

2.1 The UK economy remains challenging following a prolonged period of high interest rates and sticky inflation, caused by the global pandemic and the subsequent impact of increases in the cost of living. UK growth is stagnant, with Gross Domestic Product (GDP) at 0.5% for quarter 2 and 0.1% for quarter 30 in 2024.

2.2 Domestic inflation rates are generally in decline. Consumer Price Index (CPI) inflation fell to the target rate of 2.0% in May 2024, before a period of movements above and below the target (2.2% in July and August, 1.7% in September, 2.3% in October). The decline since last year has been led mainly by falling food, alcohol, tobacco and energy prices. CPI inflation is expected to rise to 2.5%, before falling back to the target rate of 2.0% by mid-2025.

2.3 These economic factors, alongside increases in demand for adult and children's social care and home to school travel services, place unprecedented pressures on the council's MTFS during a period of uncertainty around future funding arrangements for local government.

2.4 The MTFS is informed by the estimated impact of these pressures on council budgets at the time of preparation. They remain estimates which are subject to change and will continue to be reviewed over the medium term planning period.

Core Government Funding

2.5 The Local Government Settlement for 2025/26 received in December 2024 represents a one-year settlement with a multi-year spending review for subsequent years expected in Spring 2025.

2.6 Alongside the Provisional Settlement, the Ministry of Housing, Communities and Local Government (MHCLG) published a consultation on funding reform. The Autumn 2024 Budget confirmed Government's intention to pursue a comprehensive set of reforms to place local government in a more sustainable position, using a deprivation-based approach in 2025-26, followed by broader reform through a multi-year settlement from 2026-27.

2.7 A reset of the business rates retention system is also planned for 2026/27. This reset will apply nationally but it is expected that business rates growth generated within designated areas, including Enterprise Zones, will be exempt in line with current policy. The impact of a business rates reset on the council's retained income will depend on the relative growth in business rates.

2.8 These plans place significant uncertainty over funding over the medium-term planning period. The MTFS for 2025/26 to 2028/29 is informed by prudent assumptions of future core Government funding to reflect this uncertainty.

2.9 **Council Tax:** The Provisional Settlement confirmed that the council tax referendum limits would remain unchanged for 2025/26: councils with social care responsibilities are permitted to increase council tax by up to 3% with an additional 2% to meet adult social care pressures, without a local referendum.

2.10 Each 1% increase in council tax represents approximately £1.4 million of recurrent funding to meet demand pressures and deliver the council's services. The proposed draft revenue budget for 2025/26 assumes the maximum increase of 4.99% in 2025/26: 2.99% increase in core council tax and a 2% adult social care precept. This increases the band D equivalent charge to £1,969.36, representing an increase of £7.80 per month (£1.80 per week).

2.11 At the proposed level of increase, the total Council Tax income for the council is expected to increase by £11.4 million to £146.5 million; representing £6.7 million of basic increase, £1.6

million in tax base buoyancy and £3.1 million in premiums applied to second homes and empty properties.

2.12 The maximum level of local Council Tax Reduction scheme discount, approved by Council in 2021/22, has been maintained in all subsequent years to ensure that eligible households receive support as the impact of the rising cost of living continues.

2.13 **Business Rates**: The Business Rates retention scheme was introduced on 1 April 2013. Under the scheme, the council retains some of the business rates raised locally: 50% of the business rate yield is retained locally and 50% retained by central Government. This Government share is maintained in a central pool, distributed to local government via other grants.

2.14 Authorities who have more business rates than their baseline funding level pay a tariff to Government. This is used to fund top-up payments to those authorities whose business rates are less than their baseline funding levels.

2.15 In order to maximise the value of business rates retained within Herefordshire, the council joined the Herefordshire and Worcestershire Business Rates Pool in the 2023/24 financial year 2023/24 and opted to continue in 2024/25 and 2025/26.

2.16 A Business Rates Pool is a voluntary arrangement between a group of local authorities in England whereby their combined business rates income and any growth is collected as one common fund or ‘pool’. This pool generates a saving in the levy returned to central Government which can be distributed amongst members as determined by a Pooling Agreement; spreading the risk across a wider geographic and economic area to enable more business rate growth to be retained locally and shared by authorities within the pool.

2.17 As a member of this Pool, the council benefits from a reduction in levy rate and a share of the estimated increased gain to the pool, as determined by the Pooling Agreement. The Pool operates on the principal that no member authority would be worse off in the pool than if not a member. This means that amounts paid into the pool are limited to the levy amount that they would have otherwise paid to the Government and the risk to the council is mitigated.

2.18 **Fees & Charges:** The council generates income to fund service delivery by charging for the services it provides to residents and businesses. Aside from income generation from locally raised taxes, this is an increasingly important source of funding. Fees and charges are within the direct control of the council to set and uplift, subject to any legislative, economic and political considerations.

2.19 Alongside an annual review and uplift of fees and charges, work to ensure maximum service cost recovery and to identify new commercial opportunities across Directorates continues as part of wider transformation activity across the council.

Local Context

2.20 Despite efficiencies across the council in 2024/25, Directorate teams have continued to deliver key priorities and Delivery Plan milestones whilst providing increased support to recognise the impact of the increasing costs of living on residents and businesses in the county. In addition, the council has made significant progress in the delivery of capital projects.

2.21 The council continues to invest in transformation activity to support improvement of its services; of which the improvement of children’s services remains a key corporate priority, and this MTFS reflects the financial commitment to deliver this transformation.

2.22 Transformation efficiencies and savings will be achieved through improvements to systems, processes and technology; using digital solutions and technology to improve the customer offer and maximise opportunities to work with communities and partners alongside maximising income through service cost recovery.

2.23 Year-on-year timely completion and independent audit of the council's statutory accounts provide assurance over the arrangements in place to provide complete, accurate and timely financial statements and the appropriateness of the council's accounting policies and accounting estimates.

2.24 The council's financial position is stable with above average reserve levels compared with similar unitary authorities, low levels of borrowing, positive cashflow and high liquidity and robust financial planning arrangements to identify and manage risks to financial resilience.

Projected Funding Gap over MTFS Period

3.1 The MTFS develops a series of financial projections to quantify the estimated funding gap and determine the medium term financial implications must be addressed in order to continue to deliver council services and strategic priorities.

3.2 To develop these projections, the current year base budget is inflated to reflect estimated price increases across services and goods with additional amounts to include unavoidable spending pressures and the financial impacts of council priorities and decisions. The adjusted base budget is measured against the estimated funding available to determine the future funding gap.

3.3 The projections below, and detailed at Annex B, reflect a funding gap for the medium-term period 2025/26 to 2028/29 of £5.3 million. This is an estimate of the financial gap between what the council needs to spend to maintain services delivery and the funding available. This reflects inflationary costs included as base budget increases from 2026/27 which are not currently matched by increases in core Government funding.

Table 1 Projected Funding Gap to 2028/29

	Proposed 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
Total Funding	231,995	258,976	273,651	287,281
Net Expenditure Budget	231,995	257,703	274,868	292,547
Surplus/(Gap) to be funded	**-**	**1,273**	**(1,217)**	**(5,266)**
Surplus/(Gap) as % of net budget		**0.5%**	**0.4%**	**1.8%**
Total (Gap) to 2028/29				**(5,210)**

3.4 Closing the estimated funding gap in future years represents a significant challenge for the council. Existing activity to priorities resources and deliver efficiencies will continue to bridge this gap through transformation of service delivery, increasing opportunities to recover costs of service delivery, expenditure reviews and reviewing the size and shape of the workforce to ensure a lean and resilient council for the future.

3.5 There is significant uncertainty in terms of future funding arrangements and allocations across local authorities over the medium-term period. Government have confirmed that there will be significant reform of funding arrangements in future years, including a Fair Funding Review and reset of Business Rates during 2025 for implementation from 2026/27 and the MTFS will need to be revised to reflect updated levels of funding as information is received from Government.

Dedicated Schools Grant (DSG)

4.1 The cumulative DSG deficit is accounted for as an unusable reserve on the council's Balance Sheet, as permitted via statutory instrument, which will remain in place until 31 March 2026. This enables all local authorities to ring-fence the DSG deficit from the overall financial position in the statutory accounts.

4.2 Beyond the period of the statutory override, the expectation is that any balance on the DSG Unusable Reserve will transfer back to the council's total Earmarked Reserves. The deficit will have a significant impact on the council's overall financial position once the override period ends and this risk is being managed alongside the assessment of the adequacy of the council's reserves, as part of the council's medium term financial strategy. The Provisional Settlement confirmed that Government will set out plans for reforming the SEND system in 2025, including a decision on the statutory override, and the MTFS will be updated to reflect the impact as plans are confirmed.

Planning Assumptions

5.1 The key assumptions in developing the medium term financial projections are explained below.

Table 2 Key assumptions by budget area

Budget area	Key assumptions
Contract inflation	For 2025/26 the general rate of inflation is assumed at 3% or the individual contract specific rate (all capped at 90%). For the remaining three years from 2026/27 to 2028/29, inflation is assumed at 2.7%, 2.3% and 1.9% respectively.
Employee related costs	A pay increase has been assumed for the four year MTFS period. The council is part of the Worcestershire Pension Fund, administered by Worcestershire County Council. The triennial valuation of the Pension Fund took place on 31 March 2022. Contributions included for the MTFS period ensure that the future costs to meet existing members' service benefits continue to be covered.
Council tax	An increase of 4.99% is assumed for 2025/26 with a 1.99% increase in council tax and 2% increase in Adult Social Care Precept in each of the years 2026/27 to 2027/28.
Council tax base	The council's tax base represents the estimated number of Band D equivalent chargeable dwellings for the year. The tax base is forecast to increase by 1% each year for the purpose of modelling income for the MTFS; this increase is informed by prior year increases.
Council tax premiums on second homes and empty properties	The MTFS assumes additional council tax premiums from 1 April 2025. A 100% premium will be charged for second homes and properties which have been empty and unfurnished for a period of between 1 and 2 years. A prudent estimate of expected income has been included in the MTFS; acknowledging potential reductions in revenue if homes are sold or reclassified once charges are introduced. This estimate is informed by the number of dwellings confirmed as second homes or empty dwellings and the duration of the property's status, as per billing data as at December 2024. A series of verification checks to confirm occupancy and ownership status has

	been undertaken during 2024/25 to provide assurance in respect of the value of this budgeted income.
Other Government funding sources	Government funding sources included in the MTFS reflect the assumption that the Fair Funding Review will be implemented from 2026/27. Estimates do not include the impact of planned reform of business rates funding.
Fees & charges	Any increases in fees & charges have been incorporated within the budget proposals.
Capital borrowing rates	Capital borrowing rates of 4.8%, 4.4%, 4.2% and 4.2% have been assumed in respect of financing the Capital Programme over the next 4 years respectively. This assumption will remain under constant review and will be informed by forecasts provided by our Treasury Management Advisors: Link Group.

Robustness of Budget Estimates and Key Risks

6.1 The 2025/26 budget and MTFS include estimated values, based on key assumptions noted above and expectations of future events that are otherwise uncertain. Estimates are based on historical experience, current trends and other relevant factors. Financial forecasts are monitored as part of routine budget monitoring arrangements to ensure that risks are identified in a timely manner and mitigation action is taken.

6.2 As values cannot be determined with certainty, the table below notes the potential impact of both a positive and negative impact of 1% across the key areas within the MTFS.

Table 3 Impact assessment (1% movement)

	Potential full-year impact of 1% movement (£m)
Council tax	+/- £1.4m
Employee related costs (pay)	+/- £0.8m
Inflation	+/- £2.4m
Demand	+/- £2.0m
Interest on borrowing	+/- £0.1m
Council tax premium second/empty homes	A 10% movement in the number of dwellings liable to the premium represents +/- £0.3m from 2026/27 onwards

6.3 The council has strengthened arrangements to identify and monitor financial risks; implementing additional measures to provide increased support to budget managers to deliver planned savings and contain expenditure within the approved budget. These measures include:

- enhanced in-year financial monitoring and reporting to identify key risks and expected financial impacts;
- improved alignment of activity data and trend analysis to financial forecasts;
- introduction of expenditure controls to provide increased rigour and challenge of expenditure; and
- enhanced check and challenge of key assumptions in the outturn forecast.

6.4 The key financial risks that could affect the delivery of the MTFS as noted in the table below.

Table 4 Key financial risks

Key Financial Risk	Likelihood	Impact (Potential Severity)	Mitigation
Unexpected events and emergencies By its nature, the financial risk is uncertain	Low	High	The Council maintains a strategic reserve at a level of between 3 and 5% of its revenue budget for emergency purposes. The level of this reserve at 1 April 2024 was 9.6m (4.5% of 2024/25 revenue budget). Additionally, national resources have historically been provided to support national issues.
Not delivering required improvements The council must address the statutory direction and improvements across Children's Services	Low	Medium	The Phase 2 Children's Services and Partnership Improvement Plan was endorsed by Cabinet in July 2024 introducing a Quality Assurance Framework of measures (key performance indicators, service user feedback and audit activity) to enable future progress to be monitored. Performance against the Improvement Plan is monitored and reported on a quarterly basis. The supporting Financial Plan has been revised for 2025/26 to ensure the Children & Young People Directorate is able to continue to deliver savings whilst sustaining improvement in service delivery.
Increasing demand for Adult and Children's Social Care Demand for Children's services continue and demand for adult services increases as the population ages.	High	Medium	Demand led pressures are reflected within our spending plans; additional funding to support increased demand has been applied to Community Wellbeing and Children & Young People Directorate base budgets for 2025/26. In year monitoring of performance enables Directorates to forecast trends and identify changes in demand. Increasing demand for social care represents a key financial pressure for all councils. Robust and regular budget monitoring identifies emerging pressures and the financial impact on in-year budgets across the council. Financial monitoring is informed by activity data and trend analysis from the relevant service to ensure that forecasting is reliable and timely. The Budget resilience reserve represents a contingency budget for

			2025/26 and future years to mitigate the risks of excessive cost pressures and volatility in demand.
Potential overspend and non-delivery of savings required to balance the budget	Medium	Medium	High risk budget areas have been identified and financial support is targeted in these areas. Robust and regular financial monitoring which is reported to Directorate and Corporate Leadership Teams and Cabinet enables the timely identification of actions to mitigate the risk of overspends.
Volatility in Government funding streams The government settlement for 2025/26 is a one-year settlement; the assumed funding for the MTFS period is not confirmed.	High	Medium	The MTFS reflects prudent estimates and assumptions in the financial planning over the medium-term period where it is acknowledged that uncertainty over future funding exists. Government have confirmed that there will be significant reform of funding arrangements in future years, including a Fair Funding Review and reset of Business Rates. The MTFS will be updated to reflect the impact for the council as further information is received.
Interest and Inflation There is uncertainty over interest and inflation rates.	Medium	Medium	The Treasury Management Strategy is informed by latest forecast, as provided by our Treasury Management Advisors. Increases in borrowing rates will be offset by increases in investment returns.
Dedicated Schools Grant The future cumulative deficit requires direct financial support from Council core budgets	High	Medium	The high needs budgets are funded by the dedicated schools grant, but any overspend becomes a council liability. This is currently being maintained within budget however the national trend is for a growing pressure. This risk cannot currently be mitigated; expenditure will be monitored as part of routine budget monitoring arrangements. The high needs deficit (£6.1 million at 31 March 2024) sits as a negative unusable reserve on the balance sheet permitted via a statutory instrument. This enables all local authorities to ringfence DSG deficits from the council wider financial position in the statutory accounts. This instrument expires at the end of 2025/26, with an implied risk to the General Fund and overall financial

			position if the council is required to fund the deficit.

Adequacy of reserves

7.1 The council's useable revenue reserves are split between a general reserve (the general fund) and earmarked reserves that are held for certain purposes. The general fund is held as a strategic reserve to emergency events such as unforeseen financial liabilities or natural disasters.

7.2 In line with the council's policy, this reserve is maintained at a minimum level of between 3% and 5% of the net revenue budget. As at 31 March 2024 the general reserve balance totalled £9.6 million, being 4.5% of the council's 2024/25 approved net revenue budget.

7.3 Earmarked reserves are amounts set aside for future expenditure to support specific corporate priorities or for general contingencies and cash flow management. For each reserve established, the purpose, usage and basis of transactions needs to be clearly defined.

7.4 The overall level of reserves balances is reported to Cabinet at least annually; the last report to Cabinet was in May 2024 noting the total audited balance of £82.8 million comprising the general fund balance of £9.6 million and earmarked reserve balances of £73.2 million at 31 March 2024.

7.5 Earmarked reserve balances include £17.3 million of grant funding carried forward into 2024/25. This represents amounts of grant funding received, with no outstanding grant conditions to be met, which have not yet been applied to relevant expenditure. In accordance with the principles of the CIPFA Code of Practice on Local Authority Accounting and relevant accounting standards, these amounts are accounted for as earmarked reserves, carried forward for application in future accounting periods.

7.6 The council's financial strategy aims to minimise the use of reserves in the medium term and to replenish them to support future sustainability, enable the council to respond to unexpected changes and to invest in the continued transformation and improvement of its services.

7.7 The financial resilience reserve was established to manage risks present in the base budget, for example additional placement costs from unexpected demands. In 2023/24, the financial resilience reserve was increased from £1.2 million to £3.1 million.

7.8 The 2024/25 revenue budget approved use of £1.3 million of this reserve balance to remove savings in the Children & Young People Directorate. Due to the volatility of the Directorate's demand-led activity and risk of impact on the outturn position, until the full year results and achievement of savings are known, the final requirement from the reserve cannot be confirmed.

7.9 Any overspend in 2024/25 must be funded using the council's available reserves. It is expected that the overspend will require full utilisation of the financial risk reserve and a review of 'other reserve' balances will be required to fund any additional balance. This will reduce the reserves available to manage risk in future years.

7.10 A forecast reserves balances at 31 March 2025 and 31 March 2026 will be included at Appendix E to the 2025/26 Revenue Budget Report.

7.11 There are robust controls in place, as part of routine budget monitoring arrangements, to monitor in-year transfers to and from reserves and resulting reserve balances and these transactions are subject to review as part of the annual audit of the statutory accounts.

7.12 The Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Index is a comparative tool to support good financial management. The index shows a council's position on a range of measures associated with financial risk to highlight where additional scrutiny may be required. The data for the most recent index reflects figures obtained from the Revenue Expenditure and Financing England Outturn Report 2023/24 (RO Forms) as at 31 March 2024.

7.13 The reserve sustainability measure provides a measure of how long in years it will take for a council to run out of reserves if they continue to use them as they have and the associated level of risk. This data highlights the council's reserve sustainability measure to be 'lower risk' and notes the council has average reserves relative to its nearest neighbour and other unitary authority comparator groups.

7.14 The Local Government Act 2003 (Section 25) requires that the chief financial officer considers the adequacy of the proposed financial reserves as part of the annual budget setting process.

7.15 The forecast general fund balance at 31 March 2025 of £9.6 million is within the range required by the council's policy; representing 4.1% of net revenue expenditure in 2025/26. This is sufficient to ensure that the council has adequate resources to fund unforeseen financial liabilities.

Conclusion

8.1 The council has a record of robust and effective financial management and is committed to delivering planned savings and managing expenditure within budget in order to preserve the future sustainability of the council.

8.2 The planning assumptions and estimates which inform the 2025/26 budget and MTFS to 2028/29 are realistic and prudent and there are appropriate arrangements in place to ensure the council is able to identify and manage risks to financial resilience.

8.3 The MTFS provides a balanced budget for 2025/26 and clearly identifies the projected funding gap and risks to delivery. Whilst there are significant challenges ahead, this financial strategy ensures that the council's finances are aligned to its strategic priorities with a clear focus on transformation to ensure the future sustainability of the council and the services it delivers.

ANNEX A Net revenue budget 2025/26

Detail	2024/25 Base Budget £'000	Unfunded Pressures £'000	Mitigations £'000	Savings £'000	2025/26 Proposed Budget £'000
Community Wellbeing	75,891	15,273	-	-	91,164
Children and Young People	59,536	4,898	(1,442)	(3,929)	59,063
Economy and Environment	38,403	4,012	-	-	42,415
Corporate	21,032	3,388	(1,568)	-	22,852
Sub Total	**194,862**	**27,571**	**(3,010)**	**(3,929)**	**215,494**
Central	17,902	(1,401)	-	-	16,501
TOTALS	**212,764**	**26,170**	**(3,010)**	**(3,929)**	**231,995**
Funded by:					
Council tax	135,054				146,451
Business rates	43,249				47,567
Enterprise Zone Business rate income	-				1,282
Collection fund surplus	-				2,000
Revenue support grant	1,048				1,422
Rural services delivery grant	6,927				-
Social care support grant	17,482				20,336
Local Authority Better Care Fund	1,585				1,585
Market Sustainability/Fair Cost of Care	3,853				3,853
Services Grant	208				-
New Homes Bonus	1,055				1,605
Reserve funding	2,303				-
Employer's NI impact funding*	-				1,500
Children's social care prevention grant	-				369
Homelessness & rough sleeping	-				487
Extended producer responsibility grant	-				3,538
TOTALS	**212,764**				**231,995**

ANNEX B Medium Term Financial Strategy 2025/26 to 2028/29

Detail	Actual 2024/25 £'000	Proposed 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
Funding:					
Council tax	135,054	146,451	154,187	162,336	170,908
Business rates	43,249	47,567	48,518	49,488	50,478
Enterprise Zone Business rate income	-	1,282	-	-	-
Collection fund surplus	-	2,000	-	-	-
Revenue support grant	1,048	1,422	16,477	18,760	19,553
Rural services delivery grant	6,927	-	-	-	-
Social care support grant	17,482	20,336	37,917	41,183	44,450
Local Authority Better Care Fund	1,585	1,585	-	-	-
Market Sustainability & Fair Cost of Care	3,853	3,853	-	-	-
Services Grant	208	-	-	-	-
New Homes Bonus	1,055	1,605	-	-	-
Reserve funding	2,303	-	-	-	-
Employer's NI impact funding*	-	1,500	1,500	1,500	1,500
Children's social care prevention grant	-	369	377	384	392
Homelessness & rough sleeping	-	487	-	-	-
Extended producer responsibility grant	-	3,538	-	-	-
Total Funding	**212,764**	**231,995**	**258,976**	**273,651**	**287,281**
Expenditure:					
Base Budget b/f	193,308	212,764	231,995	257,703	274,868
Pay Award	4,028	3,629	2,498	2,613	2,691
Growth – Demand & Pressures	40,514	24,844	25,502	15,994	14,988
Savings, efficiencies & mitigations	(24,886)	(3,010)	-	-	-
Children's Three Year Plan	(2,503)	(3,929)	(2,292)	(1,442)	
Budget amendment	2,303	(2,303)	-	-	-
Net Expenditure Budget	**212,764**	**231,995**	**257,703**	**274,868**	**292,547**
Surplus/(Gap) to be funded			**1,273**	**(1,217)**	**(5,266)**