



Gloucestershire County Council

Medium Term Financial Strategy Approved by County Council 21st February 2024

2024/25 to 2027/28

Budget 2024/25

A Context

- 1 This Medium Term Financial Strategy (MTFS) was approved by County Council on 21st February 2024 following recommendation and approval by Cabinet (31st January 2024).

B Medium Term Financial Strategy

- 2 The MTFS has been prepared using data published by the Secretary of State, as part of the final settlement on 5th February 2024.
- 3 The approved MTFS contains the detailed budget proposals for 2024/25 including the general fund revenue budget, the capital programme and the Dedicated Schools Grant (DSG) as well as high level budget information for the period 2025/26 to 2027/28. The approved general fund revenue budget for 2024/25 totals £616.871 million and is based on an overall Council Tax increase of 4.99% (made up of 2.99% general Council Tax increase plus a 2% Adult Social Care (ASC) Precept increase).
- 4 The draft budget was issued for public consultation on 7th December 2023. The results of this public consultation exercise and the review by Corporate Overview and Scrutiny Committee were reported to Council on 21st February 2024.

C Building Back Better in Gloucestershire – Our Council Strategy 2022/26

- 5 The Council Strategy – ‘Building Back Better in Gloucestershire’ - is the key high-level document that, alongside with the MTFS, sets the Council's strategic policy direction. The four-year strategy was developed following full council elections in May 2021, and following public consultation was presented to Cabinet in January 2022 and approved by Council in February 2022. It sets out the Council's vision, its ambitions for the county and its priorities for addressing the challenges and opportunities it faces.
- 6 The Council's vision is to make the most of all that Gloucestershire has to offer, help improve the quality of life for every community, support businesses to be successful and make sure Gloucestershire is a place where people want to live, work and visit.
- 7 Our ambition is for Gloucestershire to be:
 - **A Magnet county** - A growing working age population, with more 18-40 year olds with high level qualifications choosing to live and work in the county.
 - **An Innovative county** - More businesses starting up, growing and investing in research and innovation.
 - **A Skilled county** - More people with high-level skills and jobs in skilled occupations
 - **A Prosperous county** - Rising productivity and household incomes offering higher living standards.
 - **An Inclusive county** - The economic and social benefits of growth to be felt by all.
 - **A Healthy county** - People to have a good work/life balance and improved health and wellbeing.

- **A Connected county** - Improved transport and internet connections so that people and businesses can connect with each other more easily.
- **A Sustainable county** - More efficient use of resources and more use of sustainable energy
- **A Resilient county** - Active, resilient local communities that keep people safe, provide them with support and help them to make a positive contribution.

8 The Council's priorities for delivering those ambitions are as follows:

- Tackling Climate Change
- Improving Our Roads
- Sustainable Growth
- Levelling up our communities
- Securing Investment for Gloucestershire
- Transforming Children's Services
- Transforming Adult Social Care
- Transforming Gloucestershire Fire and Rescue Service
- Improving Customer Experience

9 Commissioning Intentions for each service area for 2024/25 which expand on the high-level priorities included in the Council Strategy are provided in Annex 1. The Commissioning Intentions highlight current achievements and future plans in relation to the different services provided by the Council.

D Consultation and Scrutiny

10 Consultation on the draft 2024/25 budget proposals took place between 7th December 2023 and 11th January 2024. Stakeholders have been asked to give us their views on our overall priorities, the proposed growth proposals and any potential impact on service levels.

Consultation took place with the following groups:

- All Gloucestershire residents,
- Key partners including Health, the Independent and Voluntary sectors and town and parish councils,
- Trade Unions and professional associations,
- Staff, via the usual communication channels,
- Gloucestershire businesses,
- Schools, via the schools forum, open meetings and Head Teacher groups

11 The council is committed to hearing what Gloucestershire residents thought about the proposed spending plans for 2024/25 and about other ideas they may have as to how funding could be allocated for the next financial year. The results from the consultation show the majority of respondents supported both the council's priorities, as set out in its corporate strategy, and its proposed spending plans for 2024/25.

12 In finalising the proposed budget for Cabinet, the views expressed through the consultation were carefully considered. With majority support in all areas, no changes were proposed. Some areas where reduced spending was proposed would be counter to the priority areas the council has set out, and that gained strong

support through this consultation and previous engagement. Whilst very aware of the funding allocated to staffing and council premises, it is important that we have suitably qualified and experienced staff overseeing and delivering services. This requires us to pay market rates and ensure accommodation is fit for purpose to support effective and efficient service delivery.

- 13 The council puts on record its thanks to all those who took the time to respond.
- 14 The Corporate Overview and Scrutiny Committee have also undertaken their own budget scrutiny process on 10th January 2024.

E Finance Settlement and Funding Assumptions

- 15 The Council receives its funding through a number of sources; business rates retention income, government grants, council tax and charging for some of its services through fees and charges.
- 16 The final Finance Settlement was received on 5th February 2024. It provides certainty over funding streams for 2024/25, however funding levels beyond March 2025 remain uncertain.
- 17 Most of the decisions confirmed by the final Finance Settlement had been known in advance due to a Policy Statement and the provisional Finance Settlement, however there was a late announcement regarding additional funding for Social Care, which was confirmed in the final settlement. The Policy Statement and final Finance Settlement confirmed the following:
 - It is a one-year settlement for 2024/25, with no further indications about funding beyond this.
 - Referendum limits have been confirmed at 3% for core Council Tax, with the ASC precept confirmed at 2% per year.
 - Social care grant distribution nationally has been uplifted by £500 million for the final settlement funded from the top slice of Services Grant.
 - Services Grant has been reduced to just £87 million.
 - Other core settlement grants will continue on the same basis as 2023/24.
 - Revenue Support Grant has been uplifted by 6.6%, in line with inflation and Fire Pensions Grant, previously received as a specific grant, has been added into this grant.
 - Cap compensation will continue to be paid to compensate authorities for lost income arising from the decision to freeze the small business rating multiplier.
 - The ASC Workforce Fund (£365 million in 2023/24, and £205 million for 2024/25) will be rolled into the larger ASC Market Sustainability and Improvement Fund (MSIF) grant, which increases the chances that it will continue into 2025/26.
 - The Funding Guarantee grant was increased with the final settlement from 3 to 4% for 2024/25. The County Council did not benefit from this - almost all recipients of this funding are district councils.
 - An additional year of New Homes Bonus (NHB) allocations worth £290 million has been announced in line with expectations. There continues to be no indication about the future of NHB.
 - Core Spending Power (CSP) assumes that authorities apply the maximum

increase in Band D, and that taxbase rises in line with the 4-year average for the authority. Nationally CSP has increased by 7.5% from 2023/24. The increase at GCC is in line with this.

- 18 The net impact of all these changes is that revenue resources increased by £5.8 million from the amount included in the 31st January Cabinet report (see section F below for more detail). This increase includes additional ringfenced Social Care grant, of circa £5.3 million, and additional Public Health Grant of circa £240k. Further resources of £635k were identified for amendments at Full Council, also set out in section F.

Business Rates Retention

- 19 The Business Rate Retention (BRR) Scheme was introduced nationally in 2013/14. The Scheme allows councils to retain a portion of business rates raised locally - the current scheme is a 50% retention scheme. This means the business rate yield is divided equally between central and local government. GCC's share of the 50% retention is 20%, (estimated to be £26.1 million in 2024/25) with the district councils receiving 80%. In order to protect upper tier services, GCC also receives a Top Up grant as part of this BRR funding system, forecast to be £57.0 million for 2024/25.
- 20 The Council also receives compensation from central government for business rate policy decisions that impact business rate collection – this is known as a s31 Grant. For 2024/25 the level of s31 funding is forecast to be £21.7 million.
- 21 GCC along with all six District Councils in the County have been part of a pooling arrangement since the scheme was introduced. Pooling provides additional income for the County and provides for joint additional resources to fund countywide projects through the Strategic Economic Development Fund (SEDF).
- 22 The Council, together with the district councils in Gloucestershire, have submitted an application to remain as a Business Rates Pool during 2024/25. Following detailed modelling work it is anticipated that gains from the pooling arrangement will continue to be achieved in 2024/25.

| | Pool Gain 2020/21 £m | Pool Gain 2021/22 £m | Pool Gain 2022/23 £m | Est. Pool Gain 2023/24 £m | Est. Pool Gain 2024/25 £m |
|----------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------------|------------------------------------------|
| District Share | 2.3 | 2.7 | 2.6 | 2.8 | 2.9 |
| GCC Share | 0.6 | 0.7 | 0.6 | 0.7 | 0.7 |
| SEDF Share | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 |
| Total | 3.6 | 4.2 | 4.0 | 4.4 | 4.5 |

- 23 This level of estimated pool gain is not included in the Council's estimated £26.1 million share of the Rates Retention Scheme.
- 24 Expected changes to the way the BRR system operates have been deferred, and no further update has been provided on when these may be implemented. Consultation is expected before any changes would be made, and it is anticipated that the earliest changes could now be implemented is 2026/27.

- 25 As part of the final settlement papers GCC was made aware that a Reconciliation payment would be made relating to the Levy Account. This is where too much income has been retained by government as part of the BRR system through a levy (charge on business rate growth) and safety net (assistance provided to authorities whose growth falls below a baseline position). The account is reconciled in the following year, once outturn data becomes available. Any sums not used for the purpose of funding safety net payments are distributed back to local authorities. Although this money will need to be shown within our 2023/24 accounts, the cash will not be received until 2024/25. The final confirmed figure for GCC is £635k. This is a “windfall gain” that once confirmed will be added to the Rates Retention Reserve to mitigate against future volatility in business rate income levels.

Other Funding Streams

- 26 In addition to the BRR income, GCC also receives a number of other grants, which central government include within the Core Spending Power (CSP) of local authorities. The following grants are to be received through CSP for 2024/25.

- **Revenue Support Grant**

This is an un-ringfenced grant which is uplifted annually for inflation. The grant level in 2024/25 is £9.978 million compared to £9.359 million in 2023/24. Added to this funding stream from 2024/25 is Fire Pension Grant, totalling £1.093 million annually.

- **Social Care Funding**

There are several grants received for Social Care which total £63.340 million. The key grants are:

- **ASC Discharge Funding** – this grant is provided to ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible. This grant is pooled as part of the Better Care Fund. The funding for 2024/25 is forecast to be £4.679 million compared to £2.807 million in 2023/24.
- **Market Sustainability and Improvement Fund** – this grant is provided to fund improvements to adults social care service delivery. The allocation for 2024/25 is forecast to be £11.069 million compared to £5.918 million in 2023/24. This grant now includes £2.161 million Workforce Fund, which was provided as a one off specific grant in 2023/24 worth £3.848 million.
- **Social Care Grant** - this grant is for social care expenditure in both adults and children’s services, totalling £36.053 million in 2023/24. The final settlement figures indicate an additional £5.271 million over and above the figures quoted in January Cabinet, so the expectation is that this grant will now total £47.592 million for 2024/25.

- **Service Grant**

This is an un-ringfenced grant introduced in 2022/23. The funding for 2024/25 has been drastically cut to just £529k, compared to £2.943 million in 2023/24. This reduction was used to fund the additional Social Care grant funding.

- **Improved Better Care Fund**

This funding stream consists of several funding streams that were announced at different times but have now been combined into one. The Council continues to work closely with health partners to use this funding to facilitate more integrated working between health and social care. The allocation for 2024/25 is estimated to be £20.025 million which is the same amount as 2023/24.

- **Public Health Grant**

The Council is forecast to receive £26.674 million in 2024/25 compared to £26.087 million in the current financial year million. The 2024/25 allocation is £243k higher than reported at January Cabinet, following confirmation through final settlement. This funding forms part of the Council's base budget but is currently ring fenced for Public Health activities.

- **New Homes Bonus**

Originally set up as an incentive to reward councils for new home completions and for bringing empty homes back into use. This grant provided match funding for each new property. The scheme has now officially ended but some legacy funding still exists. The forecast funding level in 2024/25 is £858k which is slightly higher than the £849k received in 2023/24. It is now highly likely that this grant will continue for an additional year into 2025/26.

- **Inshore Fisheries**

This is an un-ringfenced grant and is intended for Inshore Fisheries. The forecast funding for 2024/25 is £122k.

Council Tax

- 27 Well over half of the Council's funding comes from Council Tax. The final settlement confirmed the referendum principles that the Adult Social Care (ASC) precept will increase by 2%, and that core Council Tax will remain at 3%. The budget for 2024/25 therefore proposes to raise council tax by 4.99% - 2.99% from general council tax with an additional 2.0% from Adult Social Care. Using these assumptions plus updated taxbase information and final Collection Fund surplus of £2.624 million generates a total of £389.4 million.
- 28 The budget assumptions usually include an estimated increase in the tax base for the county. For the draft consultation budget this was set at 1.1%, and the actual increase is marginally higher at 1.2%. This gives a final figure above forecast, however the Collection Fund surplus was lower than estimated in the draft consultation budget.
- 29 The Council's current 2023/24 Band D Council Tax is £1,523.78, including Adult Social Care precept. For 2024/25 the above proposals result in a Band D Council Tax £1,599.82 (an increase of £76.04 or just over £1.46 per week).
- 30 Forecast Council Tax levels for each band based on a 4.99% increase are shown below.

| Band | 2023/24 | 2024/25 Budget | Increase on 2023/24 |
|-------------|----------------|---------------------------|--------------------------------|
| | £ | £ | £ |
| A | £1,015.85 | £1,066.55 | £50.69 |
| B | £1,185.16 | £1,244.30 | £59.14 |
| C | £1,354.47 | £1,422.06 | £67.59 |
| D | £1,523.78 | £1,599.82 | £76.04 |
| E | £1,862.40 | £1,955.34 | £92.94 |
| F | £2,201.02 | £2,310.85 | £109.84 |
| G | £2,539.63 | £2,666.37 | £126.73 |
| H | £3,047.56 | £3,199.64 | £152.08 |

Nearly two-thirds of households in Gloucestershire are in Bands A, B or C.

F Changes between the 2024/25 revenue budget issued for consultation and the final budget.

31 The following specific budget changes were approved by Cabinet 31st January 2024:

- Increase of £1.093 million for Community Safety to reflect the Fire Pension Scheme Superannuation increases as funded by the Fire Pension Grant.
- Reduction of £278k for Pay Inflation based on updated costings.

32 On 24th January 2024, the Secretary of State announced that there would be a further increase in funding for local government at the final settlement of £600 million nationally. This was confirmed on 5th February 2024, with:

- £500 million for social care;
- a £15 million increase in the Rural Services Delivery Grant (RSDG);
- £3m for the “islands”;
- an increase in the funding guarantee from 3% to 4% (£72m extra); and
- an increase in the Services Grant (£11m).

There was also a favourable settlement in the confirmed Public Health Grant figures. Overall, the final Finance Settlement on 5th February confirmed additional resources for GCC, totalling an increase of circa £5.8 million compared to the figures reported to Cabinet in January. The summary changes to the proposed budget are as follows:

| | £m | £m |
|------------------------------------------------------------------------------------|---------|----------------|
| Revenue Budget as per Cabinet - January 2024 | | 610.425 |
| Social Care Amendments | | |
| Replace reserve funding planned for Unaccompanied Asylum Seeking Children | 2.500 | |
| Additional Funding for Disabled Children's Services | 0.771 | |
| Adult Social Care Intermediate Care | 1.000 | |
| Adult Social Care Market Sustainability Fund | 1.000 | |
| Final Settlement - Additional Social Care Grant | | 5.271 |
| Final Settlement - Additional Public Health Grant (reduce planned use of reserves) | | 0.243 |
| Additional un-ringfenced Resources | | |
| EE&I - Reinstate Libraries Saving | 0.096 | |
| Corporate Resources - Procurement Support | 0.201 | |
| Final Settlement and Final NNDR figures - Additional un-ringfenced Resources | | 0.297 |
| Non-Settlement-Related Amendments | | |
| EE&I - Mass Rapid Transport | 0.500 | |
| <i>General Fund Reserve funding for Mass Rapid Transport</i> | (0.500) | |
| <i>Grant Reserve Funding for PAUSE within Children's and Families</i> | (0.214) | |
| EE&I - M5 J12 Stroud Local Plan | 0.100 | |
| EE&I - A417 Maisemore - Flood Alleviation Business Case | 0.114 | |
| Reserve funding - nil net budget impact | | 0.000 |
| Revised Revenue Funding / Budget | | 616.236 |

- 33 County Council at its meeting 21st February 2024 gave approval £1.170 million of additional revenue expenditure and £82k of reduced income. These amendments were funded £635k from additional Council Tax and Business Rates income declared by District Councils at the end of January 2024, £500k from additional Javelin Park income generated in 2023/24 and £117k from General Reserves.

| | £m | £m |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------------|
| Revenue Budget as per Full Council - 21st February 2024 | | 616.236 |
| Full Council Amendments | | |
| Vulnerable Children - Work up the governance arrangements and criteria for a scheme to allow foster carers to make improvements to their home to take extra children | 0.020 | |
| Public Health & Communities - Youth Fund | 0.159 | |
| EE&I - Pothole Buster Fund | 0.500 | |
| EE&I - Provision of assistance and advice for residents who have been affected by flooding to help them access support via the Property Flood Resilience repair grant scheme | 0.150 | |
| EE&I - Free bus travel for veterans | 0.100 | |
| EE&I - Keeping children safe on our roads | 0.100 | |
| EE&I - Additional money for road safety focused on driver education concentrating on issues around highest numbers of KSI's | 0.100 | |
| EE&I - Freezing residents on street parking for a year | 0.082 | |
| EE&I - Increase funding of PROW | 0.025 | |
| EE&I - Community Libraries Uplift | 0.016 | |
| Use of additional Javelin Park income generated in 2023/24 to fund the Pothole Buster Fund | (0.500) | |
| Contribution from General Reserves | (0.117) | |
| Additional funding related to Council Tax and Business Rates income | | 0.635 |
| Final approved Revenue Budget 2024/25 | | 616.871 |

G Revenue Budget Proposal 2024/25

- 34 The proposed revenue budget for 2024/25 totals £616.871 million, a net increase of £49.738 million from 2023/24.
- 35 The budget is made up of £79.542 million of investment in services offset by £4.501 million use of reserves and £25.303 million of budget reductions, removal of 2023/24 one-off growth, additional income, savings, and efficiencies. See summary table below – full details are included in Annex 2.

36 A summary of the approved budget (excluding specific grants) is provided below.

Medium Term Financial Strategy – 2024/25 Budget – Overall Summary

| Budget Area | Approved 2023/24 Budget | Removal of 2023/24 One Off Budget Adjustments | Agreed Budget Transfers between Service Areas | MTFS 2023/24 Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | Cash Increase / Decrease | Percentage Increase / Decrease |
|--------------------------------------------|-------------------------------|--------------------------------------------------------|-----------------------------------------------------------|--------------------------------|------------------------|-------------------|------------------------------------------------|--------------------|-------------------------------|--------------------------------|--------------------------------------|
| | £'000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | % |
| Programme Budget Areas | | | | | | | | | | | |
| Adults | 183,851 | 302 | -29 | 184,124 | 2,678 | 20,512 | -704 | 0 | 206,610 | 22,759 | 12.38% |
| Vulnerable Children | 130,106 | -2,126 | -3,880 | 124,100 | 2,585 | 22,874 | -2,129 | -1,001 | 146,429 | 16,323 | 12.55% |
| Other Children Services | 26,887 | -196 | 3,965 | 30,656 | 569 | 5,223 | -1,614 | 0 | 34,834 | 7,947 | 29.56% |
| Economy, Environment and Infrastructure | 92,832 | -1,701 | -104 | 91,027 | 1,202 | 9,194 | -15,241 | -3,343 | 82,839 | -9,993 | -10.76% |
| Community Safety | 23,327 | -1,348 | -560 | 21,419 | 1,031 | 3,348 | -64 | 0 | 25,734 | 2,407 | 10.32% |
| Public Health & Communities | 36,454 | -75 | 0 | 36,379 | 123 | 764 | 0 | -157 | 37,109 | 655 | 1.80% |
| Corporate Resources | 44,488 | -1,030 | 2,029 | 45,487 | 1,703 | 4,061 | -111 | 0 | 51,140 | 6,652 | 12.66% |
| Technical & Countywide | 29,188 | 3,900 | -1,421 | 31,667 | 1,260 | 2,415 | -3,166 | 0 | 32,176 | 2,988 | 10.24% |
| Total Budget | 567,133 | -2,274 | - | 564,859 | 11,151 | 68,391 | -23,029 | -4,501 | 616,871 | 49,738 | 8.77% |

- 37 The 2024/25 approved budget is funded as follows:

| | £000 |
|-----------------------------------------------|-----------------------|
| Original 2023/24 Budget | <u>567,133</u> |
| Removal of One-off investments | -2,274 |
| Revised 2023/24 Base Budget | <u>564,859</u> |
| 2024/25 Proposed Pay Inflation | 11,151 |
| 2024/25 Proposed Cost and Spending Pressures | 68,391 |
| 2024/25 Proposed Cost Reductions | -23,029 |
| 2024/25 Use of Reserves | -4,501 |
| Total 2024/25 Budget | <u>616,871</u> |
| Less: | |
| Top Up Grant | 57,003 |
| Business Rates Income | 26,159 |
| Revenue Support Grant | 11,071 |
| S31 Grant | 21,665 |
| Social Care Funding | 63,340 |
| Service Grant | 529 |
| Improved Better Care Fund | 20,025 |
| Public Health Grant | 26,674 |
| New Homes Bonus | 858 |
| Inshore Fisheries | 122 |
| Collection Fund Surplus | 2,624 |
| Budget to be met from Council Taxpayer | <u>386,801</u> |

Council Tax at Band D = £1,599.82

- 38 The proposed budget for 2024/25 contains provision to fund key budget pressures including estimates for unavoidable contractual inflation, pay (including the impact of the National Living Wage), demographic increases in demand led services and corporate priorities.
- 39 The current level of inflation has created uncertainty around the level of pay awards in 2024/25. The current budget includes provision for a 3.0% increase in 2024/25 with a pay and prices contingency based on a further 1.0% increase in pay.

40 The Council also receives a number of specific grants. The latest position is as follows:-

| Revenue Grants, not included in Base Funding | Revised 2023/24 £'000 | Forecast 2024/25 £'000 | Comments |
|----------------------------------------------------------|-----------------------------|------------------------------|-------------------------------------------------------------------------------------|
| Adoption Support Fund - SGO | 180 | 180 | |
| Adult Apprenticeships (ESFA) | 226 | 226 | |
| Adult Education Budget (ESFA) | 2,856 | 2,856 | |
| Arts Council Grant - Music Services | 804 | 804 | |
| Arts Council NPO Grant - Library | 250 | 250 | |
| Arts Council Library On Grant | 30 | 0 | |
| Assessed and Supported (ASYE) Grant | 85 | 85 | |
| Better Care Fund (joint funding with ICB) | 49,207 | 49,207 | |
| Bikeability | 219 | 312 | |
| Biodiversity Net Gain Grant | 16 | 0 | |
| Bus Service Operator's Grant | 458 | 458 | |
| Business Rate Levy Reconciliation Payment | 635 | ? | added after budget approved as not notified until 22.02.24 |
| Covid 19 Recovery Premium (Schools) | 1,097 | 784 | |
| Dedicated Schools Grant (DSG) | 317,355 | 336,642 | |
| Domestic Abuse Duty | 1,131 | 1,152 | |
| Early years supplementary grant | 1,923 | 0 | Rolling into DSG |
| Education Funding Agency Grant | 1,375 | 1,375 | |
| Emergency Tree Fund Woodland Trust | 181 | 30 | |
| Extended Rights to Free School Travel | 883 | 883 | |
| Fire Pensions Admin Grant | 0 | 58 | New grant anticipated, amount to be confirmed |
| Fire Uplift (Pensions) | 0 | 820 | |
| Fire Link Grant | 145 | 96 | |
| Fire Pensions Grant | 1,093 | 0 | Transfers into Revenue Support Grant so part of base budget |
| Fire PFI | 3,533 | 3,533 | |
| Fire Protection Uplift Grant | 132 | 117 | |
| Fire New Dimension Service and Maintenance Grant | 101 | 57 | |
| Homes for Ukraine | 6,751 | TBC | Dependent on activity levels, assume grant will continue but total uncertain |
| Household Support Fund | 7,385 | 0 | Indications are that this funding stream ends |
| Lead Local Flood | 52 | 52 | |
| Learning Disability and Autism Community Discharge Grant | 248 | 248 | |
| Local Reform and Community Voices | 363 | 363 | |
| Local Resilience Forum (LRF) Funding Pilot | 162 | 162 | |
| Mainstream Schools Additional Grant | 3,627 | 0 | Mainstream Schools Additional Grant to be incorporated into schools funding formula |
| National Assessment and Accreditation | 190 | 190 | |
| Police and Crime panel | 64 | 64 | |
| Primary School PE and Sport Funding | 3,111 | 1,278 | |
| Pupil Premium Grant | 12,734 | 12,734 | |
| Responding to New Risks (Fire MTF) | 29 | 0 | |
| Rough Sleeper Grant | 95 | 95 | |
| School Improvement Grant | 0 | 0 | Grant has ended |
| SEN Implementation/SEND and AP Change Programme | 2,238 | 4,161 | |
| Sixth Form Funding | 1,369 | 1,369 | |
| Smokefree Generation | 0 | 787 | |
| Sports Grant | 3,524 | 0 | No information on whether grant continues |
| Staying Put | 360 | 0 | No information on whether grant continues |
| Substance misuse treatment and recovery | 630 | 1,130 | |
| Supporting troubled families - new 2022/23 | 1,497 | 1,887 | |
| Syrian Settlement Grant | 581 | 227 | |
| Teacher's Pay Grant | 2,325 | 3,986 | |
| Transport Tendered Contracts | 594 | 594 | |
| Unaccompanied Asylum Seekers | 1,000 | 1,000 | Dependent on activity levels, assume grant will continue but total uncertain |
| Unaccompanied Asylum Seekers Leaving Care | 450 | 450 | Dependent on activity levels, assume grant will continue but total uncertain |
| Universal Infant Free School Meals Grant | 4,878 | 4,878 | |
| Virtual School Head s31 | 77 | 0 | No information on whether grant continues |
| War pension disregard grant | 165 | 0 | No information on whether grant continues |
| Youth Justice Board Grant | 635 | 0 | No information on whether grant continues |
| Youth Offending Agency | 72 | 0 | No information on whether grant continues |
| TOTAL | 439,121 | 435,580 | |

H Dedicated Schools Grant (DSG)

- 41 The latest announcement made on the 19th December 2023 provided the actual DSG figures for 2024/25 which included funding updates for the October 2023 census and other census data.
- 42 The position for Gloucestershire broken down across the DSG blocks is shown in the table below. (Note – figures in previous section G are net of recoupment, figures below are gross):

| 2024/25 DSG Block Summary Comparison to 2023/24 | Schools | High Needs | Central Services | Early Years | Total |
|----------------------------------------------------------|----------------|---------------|------------------|---------------|----------------|
| | £m | £m | £m | £m | £m |
| 23/24 Gross DSG (as at December 23) | 455.425 | 93.232 | 3.077 | 37.829 | 589.563 |
| 23/24 Mainstream Schools Additional Grant (MSAG) | 15.296 | | | | 15.296 |
| 23/24 DSG & MSAG | 470.721 | 93.232 | 3.077 | 37.829 | 604.859 |
| | | | | | |
| 24/25 DSG Announced 19th December 2023 | 483.795 | 96.810 | 3.221 | 61.072 | 644.898 |
| | | | | | |
| Change | 13.074 | 3.578 | 0.144 | 23.243 | 40.039 |
| % Change | 2.8% | 3.8% | 4.7% | 61.4% | 6.6% |

- 43 This represents an increase in funding of £40.039m (6.6%) from the current 2023/24 DSG and Mainstream Schools Additional Grant (MSAG) total. (The 2023/24 Mainstream Schools Additional Grant (MSAG) was rolled into the DSG in 2024/25).

Schools Block of DSG and Delegated Schools Formula

- 44 There is currently no definitive date by when all schools funding will be via a Direct NFF, however the Department for Education (DfE) has previously stated this will be no later than 2027/28.
- 45 2024/25 is the second year of transition towards a Direct Formula, with the DfE implementing required changes to ensure local authorities start moving closer to a Direct NFF where they have not already done so.
- 46 The Gloucestershire Schools Forum have agreed that the national factors and rates used for mainstream schools in the NFF should be used in the calculation of Gloucestershire school budgets where possible. As a result, in Gloucestershire we are already mirroring the NFF as closely as possible. For those local authorities not currently mirroring the NFF, they will in 2024/25 continue to be required to move their local formulae factor values 10% closer to the NFF values, compared to where they were in 2023/24.
- 47 Currently the DfE uses the NFF to set notional allocations for each school, which are then aggregated, and used to calculate the total schools block received by each local authority (LA). LAs are then responsible for setting a local schools formula, in consultation with their schools and Schools Forum and in line with the DfE rules of transition to a Direct Formula.
- 48 The key National Funding Formula (NFF) changes for 2024/25 are:
- The mainstream schools additional grant from 2023/24 has been rolled

into the 2024/25 NFF and DSG, ensuring that this additional funding forms an on-going part of schools' core budgets.

- NFF Core factors (such as basic per-pupil funding, and the lump sum that all schools attract) have increased by 1.4%.
- A formulaic approach to allocating split sites funding has been introduced. This ensures that split sites funding will be provided on a consistent basis across the country.
- The NFF funding floor for 2024/25 is 0.5%. Local authorities apply the funding floor through the Minimum Funding Guarantee (MFG) and in 2024/25 to match the MFG as close as possible to the NFF methodology, the MFG has also been set at 0.5%. This will ensure that every school will attract at least 0.5% more pupil-led funding per pupil, compared to its 2023-24 allocation.
- Through the minimum per pupil funding levels, every primary school will receive at least £4,610 per pupil, and every secondary school at least £5,995.

- 49 After implementing the NFF at its 100% level, this leaves a balance of £0.668m in the 2024/25 schools' block. Schools Forum agreed at its 11th January 2024 meeting that this balance should be used to support the continuation of the targeted support high needs model (currently 1 in 30).

Teachers Pay Grant

- 50 This will continue to be a separate grant on top of the NFF in 2024/25. The DfE's aim is to incorporate the grant into core budget allocations for 2025/26 as part of the schools NFF.

Pupil Premium Grant

- 51 The Pupil premium grant rates for 2024/25 have also been announced and have increased as follows:

| Pupil Premium | 2023/24 | 2024/25 | Increase | Increase% |
|---------------------------------------------|----------------|----------------|-----------------|------------------|
| | £ | £ | £ | |
| Primary FSM6 pupils | £1,455 | £1,480 | £25 | 1.7% |
| Secondary FSM6 pupils | £1,035 | £1,050 | £15 | 1.4% |
| Looked-after children | £2,530 | £2,570 | £40 | 1.6% |
| Children who have ceased to be looked after | £2,530 | £2,570 | £40 | 1.6% |
| Service Children | £335 | £340 | £5 | 1.5% |

- 52 The DfE will be issuing Information about other grants for 2024/25 during 2024.

High Needs Block

- 53 The 2024/25 High Needs Block of the DSG has been allocated an additional £3.578m (3.8%) with a total allocation of £96.810m. As with the schools block, this is a much smaller increase than 2023/24 and previous years:

| | 2024/25 | 2023/24 | 2022/23 | 2021/22 |
|------------------------------------|----------|----------|----------|----------|
| High Needs Block allocation | £ 96,810 | £ 93,023 | £ 84,310 | £ 74,622 |
| £ Increase from prior year | £ 3,578 | £ 8,782 | £ 9,957 | £ 8,246 |
| % increase from prior year | 3.80% | 10.40% | 13.47% | 12.40% |

- 54 Gloucestershire's high needs block, like most LAs nationally, is currently in deficit. The DSG is forecast to have an overall cumulative deficit of over £45 million as at 31st March 2024.
- 55 A technical instrument – known as a Statutory Override - exists which allows local authorities to hold a ring fenced DSG deficit. The Statutory Override expires at the end of March 2026. This creates a risk that the General Fund balances will be required to meet a proportion of the cumulative deficit as at 1st April 2026.
- 56 The DfE programme, 'Delivering Better Value,' has reviewed Local Authority expenditure on SEND, assessed local processes and plans, carried out data analysis to identify the cost drivers and the causes for the pressure on budgets. The programme has resulted in the allocation of a £1m grant to take forward actions to implement improvements to manage the use of DSG.
- 57 In addition to the grant allocated from the 'Delivering Better Value' review, Gloucestershire in partnership with Swindon Borough Council, has been awarded a grant of £5.8 million to be shared across both LAs until August 2025 to support a change programme to test and refine significant system-level Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) reforms. The programme aims to demonstrate whether proposed system reforms will collectively drive the much-needed improvements in outcomes and experiences for children and young people with SEND or in AP and their families, whilst delivering a financially stable SEND and AP system, avoiding unintended consequences.

Central School Services Block (CSSB)

- 58 The CSSB includes funding for on-going responsibilities of Local Authorities for the statutory duties that they hold for both maintained schools and academies. It includes funding for copyright licences, education support and centrally retained duties. The allocation is based on a formula using pupil numbers (90%), free school meals (Ever 6, 10%) with an area cost adjustment applied. The rate per pupil for 2024/25 has increased by £1.45 to £38.43 and there has been an increase of 609.5 pupils resulting in a 4.7% increase of £0.144m.

Early Years Block

- 59 The funding announcements on 19th December 2023 have increased the early years DSG block by £23.243m (61.4%) to a total of £61.072 million. This includes funding for the expanded offers for eligible children aged two and under which will be rolled out in stages over the next two years.
- 60 The Dedicated Schools Grant (DSG) Early Years block funding is calculated using the numbers from the claims submitted in the January 2023 census for the existing offer multiplied by a nationally set hourly rate. The hourly rates for 2024/25 in

Gloucestershire are £5.47 for three- and four-year-olds and £7.60 for two-year-olds and from September 2024 £10.33 for under 2s. For the extended offer, the DfE have estimated what the take-up numbers will be, but these will be adjusted for the actual take-up on a termly basis.

- 61 Recommendations were considered by Schools Forum at the meeting on 11th January 2024, for Early Years providers to be consulted on 2 options for allocating the hourly rates.

Schools Forum and Formula Allocations

- 62 Full details of the Schools Forum papers for 11th January 2024 can be found at the attached link below:

[Agenda for Gloucestershire Schools Forum on Thursday 11 January 2024, 2.00 pm](#)

I The Robustness of the Budget Proposals

- 63 The MTFS and proposed detailed budget for 2024/25 have been formulated in accordance with the medium-term financial planning framework and budget principles as detailed in Annex 4.
- 64 The starting point for producing the MTFS for the next four years is the 2023/24 base budget and MTFS approved by Council in February 2023.
- 65 The proposed 2024/25 budget and future years' budgets takes into account forecast funding changes, new unavoidable commitments, strategic risks, the level of reserves, changes in legislation, estimate pay / price increases and Council Strategy priorities.

J Flexible Use of Capital Receipts

- 66 Originally put in place in 2016 and currently extended until 31st March 2026 the Flexible Use of Capital Receipts Directive allows for capital receipts to be used to fund what would normally be classified as revenue expenditure for "expenditure incurred on projects designed to reduce future revenue costs and/or transform service delivery". Examples include projects to introduce shared services, digitalise service delivery or integrate services across different functions.
- 67 The proposed budget 2024/25 does not anticipate the use of capital receipts in this way. However, given the on-going transformation programme and the financial challenges faced by the Council it may become necessary to consider using capital receipts in this flexible manner in future. Using capital receipts in this way will require the approval of the County Council.
- 68 When developing and adopting a Flexible Use of Capital Receipts Strategy the impact on the Council's Prudential Indicators will be carefully considered.

K Council's Financial Standing and Risks

69 Under the Local Government Act 2003 the Council has a responsibility to ensure that reserves are adequate. During 2023/24 all reserves have been examined in detail.

70 A summary of the Council's forecast revenue reserves as at 31st March 2024, and movements since 31st March 2023 are as follows:

| | 31 March 2023 | 31 March 2024 |
|------------------------------------------|--------------------------|--------------------------|
| | £'000 | £'000 |
| Earmarked Revenue Reserves - Non Schools | 144,345 | 96,887 |
| Earmarked Reserves – School Related | 26,486 | 26,486 |
| General Fund Reserve | 17,749 | 25,538 |

71 It is proposed to increase the level of General Fund Reserve as at 31st March 2024, with a transfer of the remaining funds in the Pay & Prices Reserve, as well as uncommitted balances from the Transformation Reserve. The 2024/25 budget proposals include a commitment of £2.545 million from the General Fund Reserve to balance the revenue budget, plus a further £300k to fund the Rain Garden Installation capital scheme. The General Fund Reserve balance is considered to be a satisfactory level by the Council's S151 officer following a risk-based review – see Annex 5b.

72 The Pay & Prices Reserve was created as mitigation for uncertainties around pay award negotiations and price inflation. Given the reducing volatility around these pressures, it is now proposed that the balances are amalgamated with the General Fund Reserve, and risks held within that reserve going forward. The transfer is illustrated in Annex 5b.

73 Non School Revenue Earmarked Reserves are forecast to fall from £144.345 million as at 31st March 2023, to £96.887 million as at 31st March 2024, a reduction of £47.458 million. This is largely because of forecast drawdowns from the Revenue Grants Unapplied Reserve (£28.995 million), and the transfers from the Pay & Prices Reserve and Transformation Reserve to the General Fund Reserve. See Annex 5a for more information.

74 School related balances include the ring-fenced surpluses and deficits of maintained schools. These are reviewed at the end of the financial year as part of the closedown of the 2023/24 accounts – at this stage the in-year movement is unknown. Note that this does not include the cumulative deficit on the Dedicated Schools Grant, which is held separately within unusable reserves, as required by the Statutory Override.

75 Capital Reserves are forecast to reduce by £24.879 million during 2023/24 to £66.497 million, as capital receipts, grants and contributions are drawn down to fund planned capital programme expenditure. This is highlighted within Annex 5a.

- 76 The proposed 2024/25 revenue budget includes use of reserves totalling £4.501 million, being £2.545 million from the General Fund Reserve, as well as £1.956 million from other specific earmarked reserves. See Annex 2 for details of these drawings from reserves. There is a further 2024/25 commitment of £300k from the General Fund Reserve (2023/24 budget underspends) to support the Rain Garden Installation capital scheme as approved by Full Council in February 2024.

L Section 151 Officer Review of the Budget – Section 25 Statement

- 77 Section 25 of the Local Government Act requires the section 151 officer to report on the robustness of the estimates contained in the budget and the adequacy of reserves.
- 78 In October 2019, a new requirement to have regard to the CIPFA Financial Management Code (FM Code) was introduced to ensure all local authorities had robust financial management processes in place. The Council has reviewed the FM Code and has concluded that processes are in place to ensure compliance.
- 79 The level of General Reserves needs to reflect the risks the Council is facing. The level of risk will be impacted by the robustness of the budgets, the ability to generate planned savings / efficiencies, the adequacy of budgetary control and external factors such as inflation and interest rates. Where practical, mitigation actions are planned to reduce the level of identified risks. Further details of the general reserve risk analysis can be found in Annex 5b.
- 80 In preparing the budget the following risks have been taken into account in the budget:
- Current spending trends and, where known, additional unavoidable cost pressures have been built into the proposed 2024/25 budget. Current spending trends, especially the volatility of expenditure in Children and Families and the emergence of new cost pressures will continue to be monitored as the budget is developed and during the coming financial year.
 - Service related financial pressures and risks have been explicitly considered by all Directorates when preparing the budget.
 - The level of reserves has been examined and will continue to be closely monitored, in the context of protecting the Council from existing and future liabilities.
 - Balancing the Council's budget requires financial savings and efficiencies to be achieved. Whilst robust programme management plans have been put into place to deliver savings, as evidenced by performance over the last five years, there is inevitably some residual risk.
 - The highest risk areas continue to be demand led services, especially care for older and vulnerable people including Children in Care where demand and unit costs are continuing to increase. Extra resources are being invested in these areas under the proposed 2024/25 budget options.
 - To address the significant over-spend position within Children Services the

senior leadership team has established a budget working group which is meeting weekly to review the budget recovery position. Further impetus will be provided by a Financial Recovery Oversight Group comprising of the Council Leader, Chief Executive and Section 151 Officer, along with children's services senior leadership. The financial recovery strategy aligns with the improvement strategy by focussing on early intervention to avoid the need for a costly social care response and bringing the child in care population more in line with statistical neighbours over the coming years.

- Provision has been made for pay awards, pension and national insurance increases, contractual inflationary pressures and the forecast impact of the National Living Wage.
- The reserves held are invested and the interest received supports the Council's budget.
- Consideration to the pressures within the DSG High Needs Block Funding have been made as part of the budget setting process. The Council has developed a High Needs Strategy / Recovery Plan in consultation with the DfE as part of the Delivering Better Value programme and is working in partnership with Swindon Borough Council as part of a government funded transformation project. This risk is mitigated by the statutory override that remains in force until the end of March 2016. There remains a risk that General Fund balances will be required to meet the cumulative deficit beyond April 2026.

- 81 On the basis of the above, the Section 151 Officer's advice is that the level of reserves, following the movements indicated earlier, are adequate and the financial standing of the Council is sound in the context of the key risks.
- 82 Achieving a balanced budget in 2024/25 will require the use of £4.5 million reserve funding and £15.1 million of one-off income from the Energy from Waste facility at Javelin Park. In order to ensure that future budgets are robust and achievable it is imperative that the Council establishes a series of service-based reviews to ensure that future service provision is brought in line with estimated permanent funding streams.

M Public Sector Equality Duty

- 83 Cabinet Members are reminded that we have a legal duty to give due regard to the implications for people with protected characteristics. An Equality Impact Assessment is attached at Appendix 4.

N Risk Management Policy Statement and Strategy

- 84 It has always been important for organisations to identify and manage their risks. Identifying risks enables the Council to effectively manage strategic decision making, service planning and delivery to safeguard the wellbeing of its stakeholders and increases the likelihood of achieving its outcomes.
- 85 The Council's Risk Management Policy Statement and Strategy for 2022-25 aligns with the MTFS. The aims of this Strategy are to support the challenges that the

Council may face, allowing it to react dynamically to changing external circumstances by enabling the Council to handle risk effectively and deliver successful outcomes.

O Forward Draft Plans for the Revenue Budget

- 86 The Council's plans are set for the four years covering 2024/25 to 2027/28. The proposed detailed budget for 2024/25 is set out within the MTFS, whilst the current draft forecast budgets for 2025/26, 2026/27 and 2027/28 are:

| | 2025/26 | 2026/27 | 2027/28 |
|--------|----------------|----------------|----------------|
| | £m | £m | £m |
| Budget | 644.48 | 669.25 | 699.62 |

- 87 Annex 6 gives outline financial proposals for 2025/26, 2026/27 and 2027/28, and will be updated as further information about funding and pressures becomes available.
- 88 Achieving a balance budget in future years relies on the achievement of £14.1 million of currently unidentified savings in 2025/26 then £20 million in 2026/27 and £11.5 million in 2027/28. This is based on future funding assumptions which are uncertain. In order to identify these savings, it will be necessary to undertake a series of service-based reviews during 2024/25 and future years. These targets are stretching but are achievable. The savings targets will be reviewed as the understanding of future year pressures and future funding levels becomes clearer.

P Capital Strategy and the Prudential Code

- 89 The prudential framework for local authority capital investment was introduced through the Local Government Act 2003. CIPFA developed the Prudential Code for Capital Finance in Local Authorities (the Code) as a professional code of practice to support local authorities in taking decisions on capital investments.
- 90 The Capital Strategy, Annex 7, has been developed in line with the CIPFA guidance. It gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. The capital programme has been developed in accordance with the Capital Strategy.
- 91 The objectives of the Code are:
- To ensure that capital expenditure and investment plans are affordable.
 - For the Council to be accountable by providing a clear and transparent framework.
 - All external borrowing and other long-term liabilities are within prudent and sustainable levels.

- Treasury management and other investment decisions are taken in accordance with professional good practice.
- 92 The Council's Capital Strategy sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the impact on the achievement of priority outcomes. The capital strategy forms part of the Council's integrated revenue, capital and balance sheet planning.
- 93 The Council complies with the Prudential Code by:
- Having a Capital Strategy,
 - Having medium term plans (Corporate Strategy, Revenue and Capital budgets),
 - Complying with the Treasury Management Code of Practice, and
 - Producing indicators for affordability and prudence, included within Annex 10.

Q Capital Expenditure

- 94 The proposed capital programme is set out in Annex 8a, with details of the financing of this programme being provided at the start of this Annex.
- 95 The capital programme provides future investment in the county totalling £510.7 million. The main investment relates to Economy, Environment and Infrastructure (£308.5 million), Schools and facilities for children (£84.9 million), Corporate Resources (£88.1 million), Fire and Rescue Service (£11.2 million) and Adults (£18.0 million).

R New Capital Investment

- 96 The capital programme contains £87.7 million of new investment on capital schemes, spread over a number of financial years, financed from borrowing, grants and revenue contributions - as set out in the table below.

| New Capital Funding Available 2024/25 onwards | £000 |
|----------------------------------------------------------------------|---------------|
| New MTFS bids and amendments agreed at County Council | |
| Borrowing | 18,189 |
| Reserves | 300 |
| Total new MTFS bids and amendments agreed at County Council | 18,489 |
| Grants | |
| Adults – Disabled Facilities Grant 2024/25 - 2025/26 (estimate) | 13,684 |
| Schools – Schools Condition Allocation 2024/25 (estimate) | 4,300 |
| Schools – Basic Need Capital Allocation 2025/26 | 23,133 |
| E,E&I – Highways Maintenance Block Grant 2024/25 | 9,896 |
| E,E&I – Highways Maintenance Block Grant - Incentive Element 2024/25 | 2,474 |
| E,E&I – Highways Maintenance Grant - Road Resurfacing Fund 2024/25 | 2,809 |
| E,E&I – Integrated Transport Block Grant 2024/25 | 2,884 |
| E,E&I – Pothole Action Fund 2024/25 | 9,896 |
| Total Grants | 69,076 |
| Revenue contributions | |
| Highways Locals (estimate) | 130 |
| Total Revenue Contributions | 130 |
| Total New Capital Funding 2024/25 onwards | 87,695 |

- 97 Priority schemes not supported by grants or contributions have been included within the new programme on the basis that they will be funded from external borrowing and reserves. These new schemes recommended for approval amount to £18.49 million and are detailed in Annex 8b.
- 98 An estimate of £69.21 million new capital funding from Government grant allocations and revenue contributions has been included and is detailed in Annex 8c.

S Changes between the 2024/25 capital budget issued for consultation and the final budget

- 99 The revised capital programme, including changes to 2023/24 budget, has increased by £6.48 million since the consultation document was issued.
- 100 £2.12 million (£530k per annum for the length of the MTFS) of this increase relates to Highways Locals to ensure the allocation per councillor remains at £30k per year.
- 101 Amendments totalling £725k were agreed at the County Council meeting on 21st February 2024. These are detailed in the table below.

| Funding for New Capital Investment | £000 |
|------------------------------------------------|---------------|
| Budget per December 2023 Consultation | 84,850 |
| Highways Locals | 2,120 |
| Amendments agreed at County Council: | |
| Natural Flood Defence scheme | 300 |
| Keeping children safe on our roads | 100 |
| Solar school fund | 2,000 |
| Increase funding for Lydney flood scheme | 25 |
| Rain Garden Installation | 300 |
| Transfer from Investment & Transformation Fund | -2,000 |
| Revised Budget | 87,695 |

- 102 The additional £3.63 million consists of £2.75 million approved at January Cabinet as part of quarter 3 financial monitoring and £879k additions detailed in the table below.

| Service Area | Project | Budget change £000 | Source of funding |
|-----------------------------------------|---------------------------------|-----------------------|-------------------------------------------------------------|
| Adults | GIS forklift | 18 | Revenue contribution |
| Schools | Warden Hill Primary School | 23 | School contribution |
| Schools | Queen Margaret Primary School | 5 | Academy Trust contribution |
| Libraries & Registration | Lydney Library | 11 | s106 contribution East of Rodley Manor Way |
| Libraries & Registration | Tetbury Library | 6 | s106 contribution South Of Quercus Rd Tetbury |
| Libraries & Registration | Tuffley Library | 52 | s106 contribution South of Grange Rd Gloucester |
| Transport & Highways | Lydney Highway Strategy | 38 | s106 contribution Highfield Rd Lydney |
| Transport & Highways | Dropped Crossing & Railing | 20 | s106 contribution Hucclecote Rd and Golf Club Ln Brockworth |
| Transport & Highways | Dropped kerb & tactile crossing | 8 | s106 contribution West of Station Rd Berkeley |
| Transport & Highways | Culvert Upgrading | 36 | s106 contribution off A38 Coombe Hill |
| Transport & Highways | A38 Twigworth - Jnct Impvmts | 119 | s106 contribution Yew Tree Farm Tewkesbury Rd |
| Transport & Highways | Bus Shelter & RTPi | 14 | s106 contribution Par Four Lane Lydney |
| Transport & Highways | Bus Shelter & RTPi | 12 | s106 contribution Tewkesbury Road Cheltenham |
| Transport & Highways | Bus Shelter & RTPi | 26 | s106 contribution South Side of Tetbury Rd |
| Transport & Highways | Bus Shelters | 10 | s106 contribution Gloucester Rd Tewkesbury |
| Transport & Highways | Cycle links | 80 | Contribution from DfT Active Travel Capability Fund 2022-23 |
| Transport & Highways | Jet Patching County wide | 127 | Contribution from Transport Transformation Revenue |
| Transport & Highways | Bournside School Crossing | 15 | Internal Contribution Barriers to Mobility |
| Transport & Highways | Piley Bridge Crossing | 6 | Internal Contribution Barriers to Mobility |
| Transport & Highways | Various Highways Projects | 180 | Highways Locals Revenue Contributions |
| Sustainability | Green Investment - Trees | 28 | Grant from Woodland Trust Emergency Tree Fund |
| Sustainability | Green Investment - Trees | 45 | Climate Change Revenue Contribution |
| Total budget increase / decrease | | 879 | |

Adults

- 103 An indicative figure for the Disabled Facilities Grant of £6.84 million per annum has been included for 2024/25 to 2025/26 based on the allocation received for 2023/24. The Government has announced that the funding will remain at the current level until 2025/26.

Children's Services – Schools

- 104 An indicative figure for the Schools Condition Allocation of £4.30 million has been included for 2024/25 based on the allocation received for 2023/24.
- 105 The Council has received notification of a Basic Need Grant allocation of £23.13 million for 2025/26.

Economy, Environment and Infrastructure

- 106 The Council receives capital grants from the Department of Transport for Highways Maintenance Block and Integrated Transport Block.
- 107 Indicative figures for the Maintenance Block Grant allocations have been included for 2024/25 based on the allocations received for 2023/24. £9.90 million for the main Maintenance Block Grant allocation, £2.81 million of Local Highways Additional grant and £2.47 million for the Incentive Element of the Maintenance Block Grant allocation.
- 108 An indicative figure for the Integrated Transport Block Grant of £2.88 million has been included for 2024/25 based on the allocation received for 2023/24.
- 109 An estimate of £9.90 million is included for the Pothole Action Fund.

T Borrowing

- 110 In recent years, due to the significant differential between interest rates charged by the PWLB and interest earned on invested balances, GCC has internally funded borrowing from investment balances (mainly reserves). This strategy essentially involves lending investment balances to ourselves to reduce overall interest costs. With all the recent turmoil in the markets and the rapid increase in interest rates, PWLB rates have increased. Rates remain above that which GCC can achieve by investing surplus funds. Therefore, the strategy of maintaining borrowing internally wherever possible will be continued.
- 111 If external borrowing is needed the Council will consider all funding sources, including Public Works Loan Board (PWLB), banks, pensions, and local authorities, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA code.
- 112 Capital receipts can also be used to fund capital expenditure and repay debt. A Disposal Schedule will be considered by Cabinet in March 2024 in line with the Disposal Strategy. All forecast capital receipts are currently being used to fund the existing capital programme so it is not anticipated that this will be a source of funding for new schemes approved in this MTFS.
- 113 The Council will remain open to the potential for capital investment opportunities arising from commercial activities linked to regeneration. Any such opportunities will be subject to a robust business case with the assumption that the scheme is self-funding with no impact on the revenue budget.

U Treasury Management and Investment Strategy

- 114 The proposed Treasury Management Strategy Statement 2024/25 is shown in Annex 10.
- 115 It was considered by the Audit and Governance Committee on 25th January 2024 alongside the Non-Treasury Investment Strategy and approved by Cabinet on 31st January 2024 prior to final approval of the County Council on 21st February 2024.
- 116 Annex 10 provides details of:
- Treasury Management Strategy for 2024/25.
 - Non-Treasury Management Investment Strategy 2024/25.
 - Policy on the use of Financial Derivatives.
 - Minimum Revenue Provision (MRP) Statement.

V Annexes

| | |
|----------|---------------------------------------------------------------------------------|
| Annex 1 | Commissioning Intentions |
| Annex 2 | Budget Movements by Service Area |
| Annex 2a | Savings by Service Area |
| Annex 3 | Budget Summaries by Service Area |
| Annex 4 | Medium Term Financial Planning Framework |
| Annex 5a | Reserves and Balances Analysis |
| Annex 5b | General Fund Risk Analysis |
| Annex 6 | Revenue Budget Forward Projections |
| Annex 7 | Capital Strategy |
| Annex 8a | Capital Programme 2024/25 |
| Annex 8b | Capital Programme - New Schemes 2024/25 Funded from Internal Borrowing |
| Annex 8c | Capital Programme - New Funding Available 2024/25 Onwards (Excluding MTFS Bids) |
| Annex 9 | Dedicated Schools Grant – Schools Block |
| Annex 10 | Treasury Management Strategy and Investment Strategy |

Annex 1 – Commissioning Intentions

| | |
|-------------|-----------------------|
| Directorate | Children and Families |
|-------------|-----------------------|

Context and Strategic Direction

Children and Families Commissioning Hub

- Children's Services continues its journey of improvement, bolstered by positive outcomes from the Children's Services Ofsted (ILACs) Inspection in 2022 and Joint Targeted Area Inspection in 2023, the latter looking at our initial response to risk and multi-agency child safeguarding arrangements. Both inspections highlighted improvements in key areas of practice, and steady progress towards improved services and outcomes for children, young people, and families in the county.
- A revised Ambitions Plan (2023/24), overseen by a multi-agency Ambitions Board, provides the framework for our improvement work, which is based upon 3 core obsessions and 8 workstreams. The Children and Families Commissioning Hub will play a key role particularly in securing placement sufficiency and the recommissioning of key services such as youth support, and children and family centres, ensuring these align with our locality delivery model, which will come onstream over 2023/24. Our strategic commissioning direction for placements is set out within our recently revised Sufficiency Strategy – **Home@Heart**.
- At a national level, the direction of travel for child safeguarding has been influenced by Josh MacAlister's Independent review of Children's Social Care (May 2022) and subsequent DfE implementation plan, the National Panel's review of child protection arrangements and development of family hubs. We also continue to be informed by longer term corporate strategies laid out in local and national strategic guidance including; *Gloucestershire Joint Health and Wellbeing Strategy 2019-2030*, *The Children's Services Ambitions Plan*, *The NHS Long Term Plan 2019-2024*, *The national strategy for autistic children young people and adults 2021-2026* and *The NHS England CYP Transformation programme*.
- Ensuring we have sufficient, accessible, and suitable 'homes' for the children and young people in (and leaving) our care, continues to be a priority for the Council. Our approach is to think about homes rather than accommodation, with a strong focus on the quality of care practice as it translates to the child or young person's lived experience, alongside raw 'bricks and mortar' capacity. This shift in our approach is taking place against a challenging background due to the updated 2023-24 legislation regulating the delivery of supported living, along with considerable market fragility and volatility (cost, quality, and availability) for regulated services.

- Over the course of the pandemic, the Commissioning Hub took responsibility for several key government grants and initiatives supporting vulnerable young people and their families. These included the Local Support Grant, Household Support Grant (HSG), and the Holiday Activity and Food (HAF) Programme. As part of the National Spending Review, the HAF programme will now be funded until 2025, and we are awaiting notification on future funding for the HSG.
- Gloucestershire has recently awarded 6 lots for the delivery of short breaks support across the county, with 2 yet to be awarded. Commissioning will continue the work to ensure a greater continuity of short breaks offer across the county, recognising this as an area for improvement within our SEND self-evaluation.
- Children's commissioning will further develop our partnership with our Voluntary and Community sector, particularly considering the introduction of the Family Hub practice model. The recommissioned Children and Family Centres' contract aims to enable greater alignment of GCC locality-based operational services and partner agencies, both statutory and voluntary sector. The retender of the Youth Support Service contract is also aligning with locality-based provision, through a hub and spoke approach comprising county wide and locality service elements.

Education Planning & Infrastructure (EPI) Service

- In support of our statutory sufficiency duties, our EPI service continues its work within the context of the School Places Strategy 2023-2028 to commission and deliver sufficient high quality school places, where they are needed at the appropriate time. We are striving to achieve delivery targets for most schemes despite rapidly increasing construction and inflation costs.
- The recent national crisis of identifying RAAC and HAC in school buildings will inevitably have an impact on the wider construction industry in terms of availability of contractors, materials and supply chain costs and government funding priorities. We will be monitoring the impact locally and making representations nationally as required.
- Gloucestershire has an excellent track record of delivering essential infrastructure in a timely way and work continues to deliver new specialist and mainstream education provision. In 2023, the DfE has sought information and advice from GCC about the successful and timely delivery of capital projects.
- We respond to strategic and smaller housing developments and at appeals to ensure developers meet their land and financial obligations for mitigating school places and providing essential infrastructure. We have commissioned a new Pupil Yield study and are awaiting the final findings report.

- We continue to ensure that children and young people can access schools through the coordinated and in-year/fair access admissions processes and, where eligible, are provided with assistance with travel to school.
- In response to the demand from rising numbers of children with Education, Health and Care Plans (EHCPs) and the increasing cost pressures on the home to school transport budget, we have commissioned external support (EDGE) to work with the council to implement a service wide review of SEND transport. The review is underway focussing on improving the efficiencies of multiple occupancy transport routes and moving away from solo transport. Additionally, parents are being encouraged where eligible, to make use of personal budgets to fund their own transport arrangements.
- We are actively monitoring the need to commission and deliver more special school places. The continuing rise in the number of CYP with an EHCP has put significant pressure on our existing special school infrastructure. A new 70 place Social, Emotional and Mental Health (SEMH) special school opened in Sept 2022, along with a 60 place, primary special school supporting Moderate and Additional Learning Difficulties (MALD) which opened in Sept 2023. Work is now progressing to deliver a new 200 place MALD special school in Gloucester, that is planned to open in 2026, funded from high needs capital funding.
- Data analysis is being undertaken on the Post 16 NEET to inform the support offered to young people who are choosing not to attend education, training or employment. We will continue to commission support from Young Gloucestershire to respond to those at risk of NEET through the Transition Panels and Transition Chats programme.
- We will continue to deliver a Preparing for Adulthood programme in partnership with Forwards and YST to advise young people around Post 16 Pathways.

Early Years

- Gloucestershire identified “Best Start in Life” as one of seven key priorities in its Health and Wellbeing Board Strategy, 2020-2030, and one of the 3 pillars of the Children and Young people’s Plan being developed by the Children & Young People’s Wellbeing Coalition. Each will include priority actions to address disparity of outcomes/attainment or children.
- Gloucestershire County Council does not commission Early Years (EY) provision however it has a duty to ensure there is sufficient local child care provision and work with providers to improve its quality. The most recent Child Care Sufficiency Assessment (2023) concluded that there is generally sufficient local capacity, the majority of which is of good quality.
- The EY sector remains fragile due to the enduring impact of the Covid pandemic and ongoing cost of living crisis and will be challenged in

responding to the recently announced government plans to increase availability, reduce costs and increase the number of parents using childcare. While the expansion of funded childcare is to be welcomed and will enable more parents to return to employment, it will present considerable challenges for the provider sector and GCC's Early Years Team in ensuring that quality is not eroded as capacity expands.

Gloucestershire Education Forum (GEF) Educational Disadvantage Research Project

- Bids from school partnerships were submitted in summer 2023 and awards made for tailored projects to the school partnerships for roll out across the 2023-24 academic year. School partnerships have a schedule of impact reporting set out in the terms of the awards. Gloucestershire Education Forum is in receipt of update reports at its quarterly meetings.

Needs Analysis

Children and Families Commissioning Hub

- The Sufficiency Strategy Home@Heart highlights the scarcity of placement provision as a continuing concern for Children's services, both in containing costs and meeting the needs of children. The market remains 'provider led' and characterised by limited supply, high demand, and the sharp inflationary pressures. Consequently, the cost of placements continues to rise. The largest proportion of residential children's homes are provided by the for-profit sector (80%), with Independent Fostering Agencies (IFA's) providing 19% of placements in England and Wales.
- Costs charged to local authorities for private sector children's homes increased by 40% in 2019 (National Centre for Excellence in Residential childcare) and have continued to rise year on year running alongside the increase in living costs. The Competition and Markets Authority (CMA) review of private social care provision (2022), and Oxford University's research into the quality of provision in this sector offer key findings in this respect. The Children's Homes Association (CHA) State of the Sector Spring 2023 Survey adds to the evidence base albeit from a provider per
- In summary, the CMA and OU reports indicate that the expected quality and cost benefits that should follow from an effectively operating competitive market are not evident. In contrast, there are greater risks of inflated and inflating costs and poor quality. The CHA report reaches a similar conclusion 'that this is not a market that could be described as well functioning' although they attribute this to different causes, including

‘outdated local authority procurement arrangements.’ Taken together the findings have significant implications for local authority budgets and the quality of care for children. Moreover, while the introduction of regulation for the supported accommodation sector is welcome and should offer quality improvements it is also likely to impact on availability and cost.

- Currently, we have circa 883 children in our care, and 560 leaving our care (Q2). The volume and levels of need for these children and young people, combined with our contextual sufficiency demands are creating a particular pressure on the system. Although we have worked to reduce the numbers of our children and young people placed in residential provision outside of Gloucestershire, numbers remain significantly high, resulting in an adverse impact on already stretched GCC budgets. Around a quarter of children placed out of county live more than 20 miles from their home (24%) which is slightly higher than per group average 22.4% (March 2022).
- The revised Short Breaks contracts came into effect on 1 July 2022, with 8 lots going out to the market, of which 6 were awarded. Progressing the award of the outstanding 2 lots and preparation for the next commissioning cycle are ongoing priorities. This is against a backdrop of considerable pressure on existing short breaks activities through rising numbers and changing user expectations.
- Funding continuity is anticipated for the HAF programme, however the funding for Household Support and Local Welfare Support is less secure and may require some contingency planning to mitigate the loss so far as is practicable. These have been successful initiatives to support families through the pandemic and recovery periods; however, considering the current cost of living pressures the potential ending of these projects will leave notable unmet need. Whilst steps are already being taken to manage this transition, it will need close monitoring along with joint working across HAF and the forthcoming Family Hubs.
- The development of an Access to Resource Commissioning Framework accords with the need for better financial diligence and the delivery of value-for money for affirmed provision. Moreover, it will allow the department to keep pace with intra-organisational financial requirements and anticipated changes through new procurement legislation. The implementation and standardisation of this framework is therefore another of the priorities for the Children’s Commissioning hub for the coming year.
- It has been widely recognised that through the course of the pandemic and post-pandemic recovery there has been a notable rise in the prevalence of emotional and mental health and wellbeing (EMHWP) concerns for children and young people. Whilst the partnership in Gloucestershire has made considerable strides in relation to earlier intervention and supports with respect to EMHWP, we have nevertheless identified increased CAMHS waiting times. We also continue to have difficulties in meeting the needs of very high-risk/complex young people requiring assessment and intervention from specialist paediatric, psychological and care provision.

School Improvement – Professional Advisor Procurement Framework

- The framework regularises our commissioning contract and is ongoing during the next financial year. The framework will be utilised when we are unable to service the contract with the internal team because of the capacity or capability (specialist skills) required to meet the needs of the schools or partnership's buying capacity. This is cost neutral to the council as the framework is only used when schools have pre purchased support.
- We also anticipate that, by expanding our range of services, we will improve the income generation potential of the team, both within and potentially outside the county, meaning that it will become financially self-sustaining at a time of financial constraint within the council.

Education Planning & Infrastructure (EPI) Service

- A review of projected future need for special education provision is in progress in response to the continuing growth in EHC Plans, which informed the bidding for new Specialist Free School proposals in 2022. Whilst the bids were fully compliant and assessed as good, we were unsuccessful in getting any new provision approved. Consequently, we are planning to deliver a new all through MALD Special School to open in 2026 and have further options under investigation.
- EHC Plans have increased annually from 3,000 in 2017 to more than 5,500 in 2023, an 83% increase. This is also impacting on demand for home to school transport (HTST), where an average of 34% of children with EHCPs are entitled to travel assistance. The impact on the HTST budget is significant at a time when contractors are struggling to service the demand, along with the paucity of competition and inflationary pressures driving up costs.
- An external review of HTST by EDGE Consultants was commissioned by GCC to consider how best to manage the increasing demand, with the initial findings reported in January 2022. The report recommendations are being implemented and a service wide review is currently underway. Whilst it is anticipated that the transformation review will bear down on costs, this is against a backdrop of increasing demand and wider inflationary pressures.
- There is ongoing monitoring of the rate of new housing developments and updating pupil forecasts to ensure future demand planned for accordingly.

SEND Services

- To meet our sufficiency duties, we are increasingly commissioning Independent non maintained special school places (INMSS). These are

demand driven in line with increasing need being seen across the county and the increasing age range as set out in SEND code of practice.

- The use of INMSS will continue until the County has sufficient maintained special school provision for the majority of children who do need it. INMSS provision will continue to be appropriate for some children, most often as a result of Tribunal where the parental preference for specialist education and specific provision has been upheld by the court.
- The increased age range, needs for children and preference are driving this use and are impacting on increased spend on Dedicated Schools Grant (DSG) and Home to School Transport budgets (H2ST)
- While Gloucestershire is broadly following the national picture in changes in need, demand, extended age range and cost, we remain lower in our rate of EHCP's per 10,000 and lower in the % of post 19–25-year-old young people remaining in education with an EHCP.
- We have had Tribunal growth this year and are now in line with national % of Tribunals and national position on decision making in favour of the family.
- We have secured one off funding to increase EHCP case worker capacity, using a locum workforce initially to enable early mobilisation. When long term funding is confirmed, the service will convert posts to permanent posts as appropriate. Due to the size of the service and potential turnover there may be a need to continue to commission some locum casework officers.
- Educational Psychology (EP) services remain reliant on a commissioned contract for statutory advice and commissioning locums to backfill vacant positions in the service.
- Due to the demand for EHC Needs Assessment (EHCNA), Local and National EP recruitment there will be a continued need to commission a locum workforce/or per advice commissioned workforce.

Early Years Service

Early Education and Childcare Sufficiency

- There are currently 638 childcare settings across the county, providing 15,654 childcare places for children aged 0-5 years. These are made up of 274 childminders, 156-day nurseries, and 193 pre-schools. There are 14 Nursery units in independent schools and 1 creche. The quality of childcare in Gloucestershire is high; 88.9% of childminders and day care rated as a 'good' or 'outstanding'. 4.0% (21) are currently rated as Requires improvement, 2.3% (12) as Inadequate, 4.7% (25) as Compliant / Met, 0.1% (1) Non-Compliant / Met.

- In 2022, 67.4% of Gloucestershire children (aged 5 at end of reception year) attained a good level of development (GLD). This is higher than the national average (65.2%), the Southwest average (66.3%), and that of statistical neighbours (67%). A lower percentage of Gloucestershire children eligible for free school meals, those in receipt of SEN support, and of mixed race and black African/Caribbean heritage attain a good level of development than is the national average for those cohorts.
- The most recent sufficiency report (May 2023) shows a 5.7% decrease in the number of early years providers but a 2.9% increase in the overall number of places. Whilst it is positive that the number of childcare places across the county has increased there are areas where a loss of places has impacted on local sufficiency.
- Where data evidence a shortage of available places, this is largely because of challenges in relation to staff recruitment and retention resulting in providers being forced to reduce capacity and, in certain cases, having to close rooms within nurseries or sessions within pre-schools. The Early Years Service have worked in partnership with providers to build childcare provision to address local gaps in sufficiency. Available places in childcare settings in other parts of the county are often impractical for families to access due to travel distances. This is a particular issue in some of the more rural parts of the county, such as the Cotswolds, where small villages/communities have a limited number of EY and childcare places.
- The continued fragility of the EY sector presents a challenge to the sufficiency and quality of early education and childcare both locally and nationally. The Early Years' service continues to offer funded business training and support to all providers including on recruitment and retention. The numbers of providers taking up this offer has constrained with providers stating that they are operating on reduced staff numbers and cannot release staff for training. This reflects the ongoing collaborative work between the early years' service and local providers to ensure their concerns are understood and addressed, as far as is practicable, at both local and national levels.
- It is challenging to determine if we have sufficient EY childcare for all children with SEND as there is no specific assessment for this group. As evidenced through the consultation with parents and providers, for most children with special educational needs and disabilities (SEND), early education/childcare is available within mainstream provision and for those with education, health and care plans (EHCP) special schools offer early years places where this has been assessed as appropriate to meet the needs of the child.
- However, for some children with the most complex needs, mainstream settings find it difficult to support developmental progress and/or to offer the full entitlement. To address this, we have commissioned the delivery of a pilot Ofsted registered EY provision for children with SEND. The aim of this provision is to further ensure that all children can access their entitlement of

early education, to improve outcomes for young children and to reduce inequalities between children in greatest need and their peers (Statutory Guidance and Section 2 Childcare Act 2006)

- A recent review of the commissioned EY SEND provision has evidenced a positive impact, with most children returning to mainstream provision. Parents also report increased confidence that their child's needs can be met without the need for a special school place.
- Currently the pilot only meets the needs of children living in or near Gloucester city. There is a need for similar provision across the county, with Cheltenham and Tewkesbury being the highest priority based on current needs assessment. Consequently, discussions have started to identify high needs funding to commission at least one more EY SEND provision.

Early years/ childcare reforms – impact, challenge and need.

- Increased demand for childcare places potentially poses a challenge to the LA Childcare Sufficiency Duty. Initial analysis from the Council and the DfE indicates that once the new extended Early Years entitlement is fully implemented there will be a need for 5,444 places for children aged 9 months to 2 years across the county. This is an increase of 1,812 places.
- It is currently difficult to predict or estimate how many existing EY settings will be able (and willing) to increase their place numbers to accommodate the increase in eligible children. We are consulting with the sector with many reporting they are unable to make any decision in relation to expanding their offer until they receive notification of the new funded rates from DfE.
- Providers continue to be clear that the current funding attached to childcare entitlements does not meet actual delivery costs and is less than they currently receive from private fees, which will also be adversely affected by the extended eligibility. The EY sector, both national and locally, are already reporting significant staff recruitment and retention challenges, largely due to the low funding rate resulting in low wages, forcing many to close some of their rooms and in some cases the whole provision.

Quality of Early Education provision, particularly for the most vulnerable children

- The EY reforms include a change to the statutory adult: child ratios for 2-year-olds from 1:4 to 1:5, commencing September 2023. Providers, and those supporting EY children, have expressed concern about the impact this might have on the quality and safety of EY provision, especially for more vulnerable children and those with additional needs.

- Locally, and nationally, EY settings report an increase in number of children with additional needs/SEN. Whilst the increase in the number of children accessing EY settings provides an opportunity for early identification and the provision of support, there are further consequences. There is the potential for increased numbers of children in need of additional LA support, especially if staffing levels have been reduced, and increased demand for LA resources, including SEN inclusion funding requests and EHCNAs for younger children.
- The current 2-year-old offer is targeted and promoted to the eligible cohort of disadvantaged children. When the free entitlements offer is expanded to all 2-year-olds, it is possible that the focus on the disadvantaged cohort will be reduced. Some providers have already expressed they may be more likely to consider offering their 2-year-old places to working parents that become eligible, rather than disadvantaged 2-year-olds. This may increase inequalities and add to our concerns about school readiness for those children facing the greatest levels of early disadvantage.

An increase in the number of funded childcare claims to be processed by GCC.

- Currently the criteria for 2-year-old funded childcare are based primarily on parental income support. There are 977 2-year-olds in the county claiming this funding. In addition, 2,855 2-year-olds are accessing early education/childcare that are not eligible for funding and therefore parents are paying fees, at a higher rate. This latter funding has been critical for providers.
- From April 2024, all 2-year-olds of working parents will be eligible for funded childcare. Most, if not all, of the 2-year-olds currently paying privately in a setting will move to the new funding entitlement, plus an estimated additional 710 eligible children who do not currently access provision. In total, there is the potential for 4,542 (2855 + 710 + 977) 2-year-olds to be claiming the new entitlement.
- This extended EY offer, and increased numbers also presents a significant impact on the LA Early Years team who process and administer funding claims. It is estimated that an additional 1,000+ children may become eligible for childcare funding in September 2024 when the offer extends to children aged over 9 months.

Equalities Response

- The commissioning priorities identified within this paper attend to a range of vulnerable and marginalised groups whose status needs to be privileged within the commissions that support their improved outcomes. Furthermore, we see disproportionately higher rates of intersectionality within these groups than across comparator groups. For example, higher rates of black, mixed race and other ethnically diverse groups in contact with the youth justice system, children's assessment and safeguarding, and entering care. Similarly, contact with our services for those with higher rates of poorer educational/employment outcomes, identifying as LGBTQ+, with mental health difficulties, cognitive and/or physical disabilities, and other protected characteristics.
- Commissioning therefore has a key role in service development and delivery to address evident disproportionalities through explicit and targeted service standards, outputs, and outcomes. This includes services directly commissioned by the department and those developed through the wider Gloucestershire partnership; e.g., working with the OPCC around disproportionality in relation to serious youth violence.
- We will be undertaking developmental programmes in relation to ED&I to inform practices and the culture within the commissioning hub. The introduction of explicit ED&I submissions within the required procurement paperwork and pathways will compel attendance to this area. Our quality assurance of submissions by senior commissioning managers and senior managers will reinforce this. Considerable attention will also be afforded to ED&I in our newly implemented Commissioning Board, which will provide senior leadership oversight of commissioning practices within the children's hub.
- Our relevant frameworks (e.g., Professional Advisor Procurement Framework, INMSS placements, EP and casework locum procurement) are all developed with approved equalities impact assessments.
- Sufficiency plans will ensure we are providing the most appropriate places close to where children and young people live. Each proposal for additional places will have an accompanying equalities impact analysis.
- Our Early Years sufficiency assessment and continued consultation is used to identify and address childcare sufficiency gaps for specific cohorts, particularly children with SEND. An Equalities Impact assessment was undertaken as part of the Childcare sufficiency assessment and cabinet report in Sept 2023. EYFS data analysis is further used to identify disparities in attainment and outcomes for children aged 5 (FSM, SEND and by ethnicity). BSiL, the EY strategy and the C&YP plan include priorities to address inequalities, informed by parent/carers consultation alongside data analysis.

Resources

Children and Families Commissioning Hub

- The total base budget (excluding the Dedicated School Grant and other grants) for Vulnerable Children (£124.1m) and Other Children's Services including Education services (£30.6m) is £154.7m for 2023/24. The significant operational pressures in the Service for social care placements and staffing are reflected in pressures nationally as well as locally, and the current year's forecast over-spend is £7.8m (including the offset of the one-off reserve of £6.2m). Action is being taken by the Service to address these cost pressures and together with the MTFS proposals will seek to address this underlying position. The net investment proposed (including pay awards) for 2024/25 is £22.3m Vulnerable Children and £4.2m in Other Children's Services, a total of £26.5m. To meet the budget targets proposed, the Service will need to have in place effective services, practice and systems to reduce children in care numbers to be closer to statistical neighbours over the next four years.
- The proposed investment within Vulnerable Children includes funding for social care placements (£15.5m) to fund the current activity and costs, social care staff (£1.9m) to reduce caseloads and fund the cost of agency social workers, disability services (£1.9m) and contract inflation and commissioning capacity (£1.3m). Other Children's Services includes proposals to cover the cost pressures in home to school transport (£1.0m) for SEN routes and inflation, additional staff to support SEND activity and post 16 services (£2.8m). Additional one-off funding agreed at Council in February (£0.2m) included funds for a further Youth Offer for Councillors and setting up the governance arrangements for extending homes for foster carers.
- The most significant budget pressure for Children and Families Commissioning relates to placement costs for children in care and care leavers; driven by:
 - a) sustained demand pressures (locally and nationally which impact on sufficiency, quality and cost)
 - b) cost of living increases (particularly staffing and mortgage costs which providers transmit to GCC)
 - c) staffing shortages (leading to closure of provision and significant rises in staff costs)
 - d) the regulation of supported living providers which will likely reduce the number of providers plus those achieving registration will pass the costs associated with achieving and maintaining registration on to GCC. Furthermore, those providers that achieve early registration may command a premium which could then drive-up average market prices.
- We are addressing the above by:

- a) Growing sufficiency through increasing our in-house fostering provision, widening our capital portfolio, and through targeted market development;
 - b) A clear MTFS submission and financial recovery plan that seeks to reduce the non-UASC numbers of children in our care, management of gross CiC costs, reduction of the number and cost of residential placements, management of very high-cost placements, reducing the numbers in supported living placements, growth in staying put, SGO, CAO and adoption allowance numbers.
- The main budget pressures in integrated GCC-ICB budgets are packages of care for those children and young people who meet the Continuing Care criteria and those very high-risk/complex young people requiring assessment and intervention from specialist paediatric, psychological and care provision. Work is underway across the partnership to finalise a joint funding protocol and to model and resource pathways, a specialist service, and accommodation for these young people. ICB funding for this specialist service has been earmarked (subject to approvals) and the accommodation options are being progressed through the existing Trevone contract and the wider Capital project.
 - Section 17 cost pressures: a new Access to Resources process has been developed to orient financial decision-making closer to social work teams and include a dynamic purchasing option to maximise quality and value-for-money.
 - Our Youth Support Service and Children and Family Centres contracts have had static funding envelopes for a considerable time. The recent contract development work has identified this as a risk to market engagement and contract continuity. For this reason, inflationary uplifts for these contracts have been factored into our MTFS submission for the coming years.
 - The capital budget for 24/25 is £28.336m which is summarised below, and the detail can be found in Annex 8a.
 - £24.010m Schools
 - £4.326 m Non-schools in support of the sufficiency strategy

Outcomes and Priorities for the year

Children and Families Commissioning Hub

- Reshaping the commissioning service to align with established budget, with form matching core functions and well placed to deliver key priorities.
- Embedding an Equality, Diversity, and Inclusion agenda across the Children's Hub

- Incorporating forthcoming changes to procurement legislation and incoming GCC financial management processes.
- Consolidating the commissioning of ICT programmes for the department and agreeing the leadership of this with ICT.
- Aligning commissioning with the operational locality model and ensuring the relationship between commissioning and operational services is clear.

Grant and project funding

- Continued delivery of the HAF programme and working with the DfE to inform national developments relating to this programme.
- Welfare support (through local welfare supports and the Household Support Fund). This will involve tendering for Welfare Support and tracking the national decisions to sustain/end the HSF programme. A clear communications plan and explicit activities will aim to develop the financial resilience and increasing independence of those in receipt of these supports.
- Co-produce a specialist service, with the ICS, to support the most vulnerable young people in need of specialist paediatric, psychological and care supports.
- Develop an offer for children and young people affected by Domestic Abuse.
- Deliver on the DfE Staying Close grant project for 80 young people, over 2 years, in partnership with Youth Support.
- Deliver on the DfE Supported living grant to support the County's transition to regulated provision.
- Continue to sustain reporting capability to the DfE for the de-designated children's centres.
- Continued delivery of the Peer Mentoring project for Care Leavers.

Access to Resources

- Deliver good quality short break provision accessible to all areas of the County.
- Deliver standardisations and efficiencies on Section 17 spend through the Access to Resources commissioned framework.

- Move all relevant brokerage activities onto ContrOCC and placement recording on to Liquid Logic, developing the reporting framework to follow from this.
- Continue with managed Direct payments to secure value-for-money allocations.

Contracts

- Recommissioned Children and Families and integrated Youth Support Service contracts, which together with our Locality model in Children's Social Care will support the development of community Family Hubs
- Review resource for Appropriate Adults Service for the remaining year of the contract.
- To implement the new managed service for Interpretation, Translation and Transcription services in concert with NHS commissioners.

Placements

- Deliver GCC's Sufficiency Strategy Home@theHeart.
- Lead, develop and implement of a model of good practice to enable UASC young people to successfully settle within Gloucestershire and the SW region.
- Embed a refreshed Placements Team to lead our sufficiency practices and value-for-money commissioning.
- Develop and deliver the capital project sites of: London Rd, Barnwood, Southfields, Townsend House and a replacement for Bisley Old Road.
- Continue to develop a GCC placement portfolio through the capital programmes.
- Move commissioning infrastructure onto Liquid Logic and Controcc,
- Engage with the regional initiative to develop Regional Care Cooperatives that transfer responsibility for the commissioning of care placements from individual councils to regional groupings.
- GCC is assisting supported living providers to engage in the Ofsted registration programme and is closely following the development of a national oversight body. We have also engaged in discussions about a RCC pilot proposal for this region and will remain engaged in this agenda as it progresses. The implications of this for GCC commissioning and commissioned services will only become clearer as the national programme develops.

- Developing the workforce, necessary to realise the Home@theHeart capital programme for up to 12 GCC-owned settings offering residential children's homes and/or options for young people leaving our care. This will involve reviewing the role of the SW Academy to support the professional development of residential support workers.
- The award of the Children and Family Centre and Youth Support contracts will be priorities for the coming year; following which intensive work will begin to align these with the Locality structure in operational teams to deliver Family Hubs.

School Improvement – Professional Advisor Procurement Framework

- Delivering our statutory function which broadly sits around our duty to keep oversight of our maintained schools and to take rapid and decisive action in relation to poorly performing maintained schools and responsibilities around school governance.
- Providing an extended traded service to LA maintained and academy schools to support school improvement and cover the removal of the Local Authority Monitoring and Brokering Grant.

Education Planning & Infrastructure (EPI) Service

- Deliver our statutory sufficiency responsibilities in relation to school places, ensuring CYP have access to high quality places available in a timely way and in the right location.
- We will continue to respond to strategic and other planning applications for housing development to ensure we secure, where needed, S106/CIL contributions from developers to support new places.
- We will continue to ensure children, young people, and parents/carers have clear information, advice and guidance on the process of applying for a school place and if eligible the provision of support with travel to school.
- We will work in partnership to support young people post 16 in preparing for adulthood and support those at risk of NEET to encourage them back into education, employment, or training.
- We will work in collaboration with EDGE to implement a transformation programme reviewing SEN home to school transport to increase efficiencies and drive down costs. Additionally, we will review and improve communications with parents and carers to ensure they have access to information and policy guidance regarding eligibility for HTST support.

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| Directorate | Adults Social Care |
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Context and Strategic Direction

The strategic vision for Adult Social Care in Gloucestershire is:

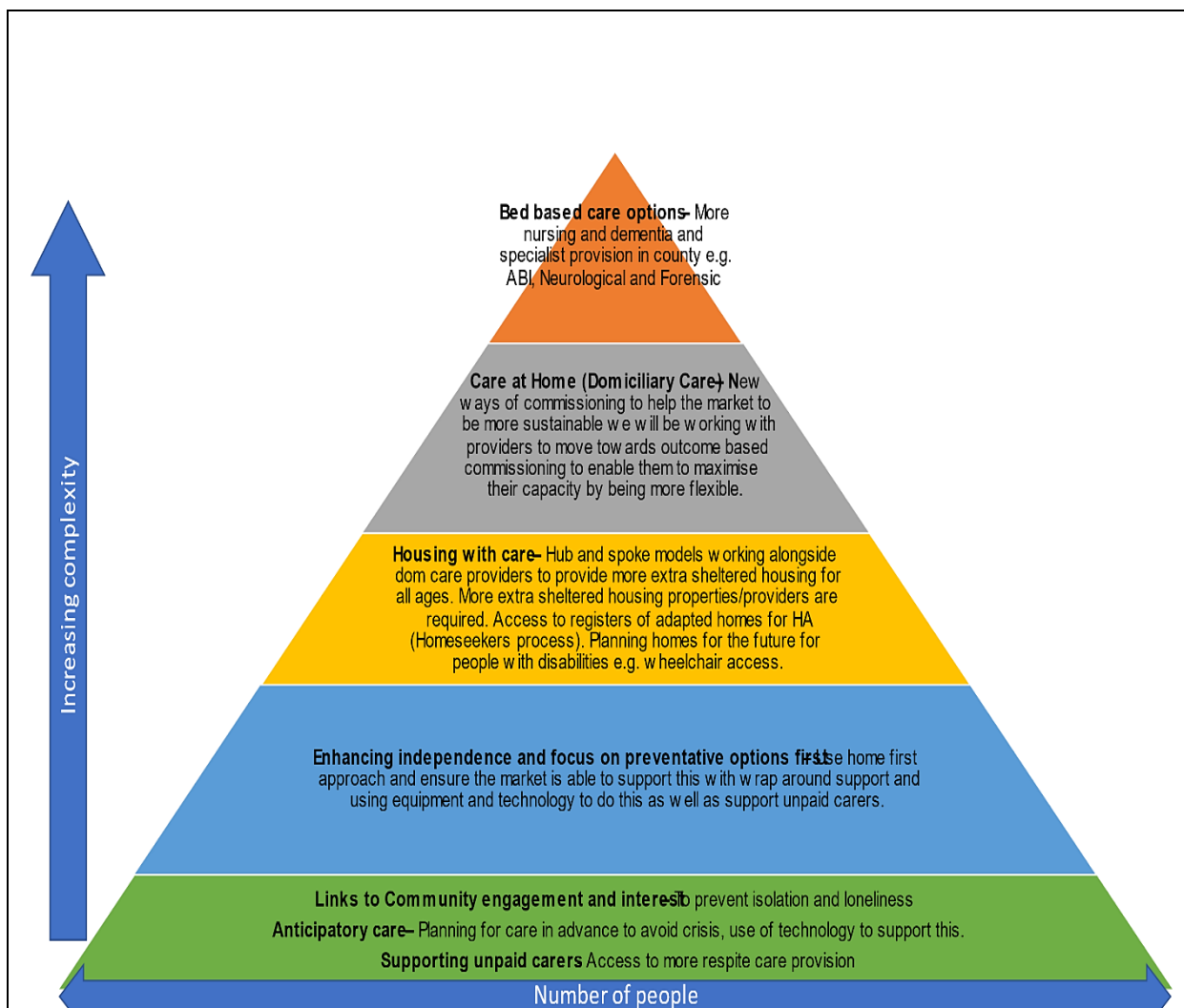
We make a difference by enabling people to help themselves and each other, doing the best we can to help people build resilience, thrive and live a good life.

We will

- *Collaborate with family, carers, people, communities to promote good health, independence, positive risk taking, and prevent harm.*
- *Be involved when we're needed, at the right time, for the right length of time. Champion people's rights, treating them with dignity and respect.*
- *Promote social and community connections, enabling people to thrive, supporting independence, wellbeing, and healthy lifestyles.*
- *Act in a coordinated way that puts people at the centre, act on feedback and what people are telling us in a way that is responsive and flexible, listening to what is important to them.*
- *Challenge inequality and discrimination in all we do, poor quality wherever we see it, promote inclusion and communicate in an accessible and open way.*
- *Do everything we can to support high quality services, making best use of intelligence, evidence, and available technology, creating a culture of learning and adapting to improve what we do.*

The legislative basis for our work is mainly covered within the Care Act 2014 and updated in the recent Health and Care Act 2022 (<https://www.legislation.gov.uk/ukpga/2022/31/contents/enacted>). Through the new Act, the Government is committed to creating a sustainable adult social care system that is fit for the future, alongside its programme of wider healthcare reform. It identifies that the Government will work with leaders in local Government, the NHS and service users and carers, to offer choice, control and independence to care users; provide an outstanding quality of care; and be fair and accessible to all who need it, when they need it.

Within Gloucestershire, the model of care which has been developed is set out below. The strategic ambition for Adult Social Care continues to be to support people to live independently. The offer will include: - choice, control, and independence to care users; provide an outstanding quality of care; and be fair and accessible to all who need it, when they need it (Gloucestershire County Council, 2022).



Continued from 2022/23 the most pressing challenge to provider sustainability is the current financial situation. Cost of living increases impact the prices of goods and services and as staff feel the pinch wages need to keep pace. 80% of adult social care spending is spent on short and long term care. The costs of providing care reflects labour costs and other inflation. We have assumed for several years that labour costs are 70% and the remainder affected by general inflation. This is a broad but realistic assumption. The remaining 20% is spent mainly on adult social care employees – social workers, OTs, commissioners. Costs will increase in line with the local government pay award. In both 2022/23 and 2023/24 so far, general inflation has been much higher than in the rest of the century to date. Consequently, this has had a significant impact in those years, and will continue to impact pay, in particular the National Living Wage which will push up labour costs of care. In addition to inflationary impact on wages, fuel costs continue to be a significant issue for community based care and food and energy costs a significant issue for bed based care.

Nationally, data from the [Kings Fund](#) (March 2023) outlines the following 12 themes for adult social care which are mirrored in Gloucestershire:

- Requests: More people, particularly working-age adults, are requesting support (see needs analysis below)
- Receipt of care: The number of people receiving long-term care has fallen.
- Eligibility: Financial eligibility is tighter, and reform has been put back
- Spending: Total expenditure has increased due to the Covid-19 pandemic and is now higher than in 2010/11
- Costs: Local authorities are paying more for care homes and home care.
- Capacity: Nationally, the total number of care home places has declined slightly (note that in Gloucestershire we continue to have more residential care home beds than required. Access to domiciliary care, nursing care and dementia specialisms are a focus for increased capacity in Gloucestershire.)
- Vacancies: The staff vacancy rate is the highest since records began
- Pay: Care-worker pay continues to rise but struggles to compete
- Carers: Fewer unpaid carers now receive paid support and respite care has also fallen
- Quality: Quality is largely stable but fewer ratings were published during Covid-19 pandemic
- Personalisation: Fewer people receive direct payments
- Satisfaction: Satisfaction of people using services is edging downward

Key strategic aims achieved / still current.

Last year's commissioning intentions are outlined below with a comment on progress made.

- *Prepare for the implementation of Care Act Reforms.*
The Care Act reforms were postponed as part of the Autumn Statement in October 2022. Work to modernise adult social care operations in Gloucestershire continues through our "Fit for the Future" portfolio of work in our Transformation programme.
- *Develop stability in the Social Care sector including through initiatives to develop skills and capacity in the workforce.*
Our "Proud to Care" team have implemented several initiatives related to the social care external workforce, aimed at promoting care as a career. An external workforce strategy is one of our priorities for this year (see below). Our new recruitment and retention team have successfully supported the recruitment of 11 new social work roles. We continue this work into this year with our "grow your own" initiative as part of our internal workforce strategy.
- *Work with housing partners to continue to develop wider options to enable people to live independently.*
We have worked with the District Councils as part of Gloucestershire's Strategic Housing Partnership to ensure the Disabled Facilities Grant is used to support housing options that support independence.

The below activities related to our strategic objectives for the Council Strategy 2022-26 and will continue in this year (see below).

- Embedding early intervention and prevention, together with strength-based working, into all aspects of our work across Adult Social Care.
- Developing our 'Enhanced Independence Offer' to improve the impact of short term care to ensure people regain their independence whenever possible.
- Exploring the potential for technological solutions to support carers, reduce demand and improve the quality of care that people receive.

Needs Analysis

The prevalence of adult social care need in Gloucestershire is captured within the documents and links listed below.

- Population projections 2018 - 2043
<https://www.gloucestershire.gov.uk/media/2099800/overview-population-projections-for-gloucestershire-2018-2043.pdf>
- Older Persons Prevalence of need 2020
https://www.gloucestershire.gov.uk/media/2099482/op_prevalance_of_need_2020_final.pdf
- Learning Disabilities and Autism Needs Analysis
<https://www.gloucestershire.gov.uk/media/2112214/your-voice-matters-report-final.pdf>
- Physical Disabilities and Sensory Impairment Needs Analysis
https://www.gloucestershire.gov.uk/media/1520650/joint_pdsi_needs_analysis_report_2016.pdf
- Mental Health and Wellbeing Needs Analysis
https://www.gloucestershire.gov.uk/media/1520644/mental_health_needs_assessment_2017-4.pdf
- Market Position Statement 2018-2019
<https://www.gloucestershire.gov.uk/business-property-and-economy/support-and-advice/gloucestershire-market-position-statements/>

Older people (65 years and over) with a physical support need make up more than half of those supported by Adult Social Care. People with a learning disability account for a quarter of people receiving support or care. 18-64 year olds with a physical support need made up around 15% of those in receipt of a service and people with a mental health need form the remaining 5% of those supported. The balance of care between these groups has remained steady over time.

Older people Two trends in ageing are likely to drive future demand for social services: firstly, the demographic 'surge' of people born in the years after the second world war who are now reaching retirement; and secondly, the increased longevity of that population. The number of adults aged 18-64 years in Gloucestershire is

projected to increase by 6.6% between 2018 and 2043, whilst the 65 and over age group is projected to increase by 52.5% during the same period. These increases are higher than the projected increases for these age groups in England over the same period.

People with a disability In Gloucestershire in 2021, an estimated 28,600 people aged 65 years and over have a long-term illness or disability that limits their day-to-day activities a lot. The number is predicted to increase by 26% to 36,000 people by 2030 with rates of increase highest in the 85 and over age group (up by 33%). It is estimated that in 2021 there were 3,450 people in Gloucestershire aged 18-64 who have a serious personal care need and 15,800 who have a moderate care need, as a result of a physical disability. Both numbers are expected to increase slightly between 2020 and 2025 and then to fall slightly between 2025 and 2030. Most of the increase is expected to be in the 55-64 age group. There has been a rise in the number of people with a neurological condition/Acquired Brain Injury who require support. More than half of carers caring for people with a physical disability or sensory impairment are full time carers providing care for at least 35 hours each week.

People with a learning disability Modelled data estimates that 12,100 adults in Gloucestershire had a learning disability in 2021, with those aged between 18 and 64 accounting for three-quarters of the total. The rate of increase in the next 10 years is predicted to be most steep in the older age groups. A higher percentage of care homes for people with learning disabilities are more highly rated by CQC with all homes in Cheltenham and Cotswold rated as good or outstanding.

People with Mental Health needs The number of people in Gloucestershire diagnosed with schizophrenia, bipolar affective disorder or other psychoses has increased from 4,446 in 2013/14 to 5,305 in 2021/22, a rise of 19.3%. Following the pandemic there is an increase in some conditions such as disordered eating. Nearly six in ten carers caring for people with a mental health need have a long-term illness or disability. Compared to other carers, they are also more likely to experience mental health problems themselves.

Carers In the 2021 Census there were 51,862 unpaid carers 8.9% of the population (reduction from the 2011 census 62,644 unpaid carers (10.5% of the population), the majority of whom were aged 50 or over (64%). National studies show that 40% of unpaid carers look after a parent, 18% look after a spouse, partner, or cohabitee, and 17% look after a son or daughter. The ageing population is likely to lead to a substantial increase in the number of mutual carers as older couples provide care and support to each other. We expect the number of carers to rise by 50% in the next 5-10 years.

Equalities Response

We know through research we have commissioned from the Black South West Network that communities want us to invest in capacity-building and focus on ways that voices can be channelled and heard. When asked, “are the social care needs of your community being met”, 74% (31) of respondents stated “no”; 14% (6) stated “yes”, and the remaining stated 12% (5) “don’t know”. The research showed that intersectional mental health support is lacking even though it is one of the priority needs within diverse ethnic communities; culturally appropriate social care is needed to cater to the needs of racially minoritised older people and reduce the pressure on informal supporting networks and family members lacking capacity; the quality of life of diverse ethnic communities in Gloucestershire could be improved with more targeted social care services for people with dementia and enhanced access to end-of-life care. While equity is built into the contracting and commissioning process through equality impact assessments, we are not able to evidence specific outcomes and experience affecting these groups.

We continue to have gaps in our data around protected characteristics. This is impacting on our understanding of whether specific groups are or are not accessing our services, problems people may have in doing so and outcomes for people of different protected characteristics. This means people can be reluctant to provide information which in many instances, leads to poor disclosure rates. Often, we are not collecting this information despite its relevance to people with protected characteristics and to our assessment and planning work. This is not the case across all service areas, and we can learn from those areas where disclosures are higher for certain protected groups. Further work can be undertaken to equip staff with a strong understanding of how this information directly relates to good practice and the delivery of their work.

Resources

Reflecting the needs analysis above and the additional pressure from fuel, energy and food costs this will create for Adult Social Care, the proposed MTFS increase for Adults of £23.190m includes £4.203m for demographic growth. There is also £9.309m to meet contract inflation increases (including the impact of national living wage). With the balance of £2.678m Pay inflation and £7.000m reflecting the anticipated additional funding from central government next year for the Market Sustainability and Improvement Fund and the Discharge Fund. The increases are offset by £0.704m from increased income to give an overall position of a net increase of £22.486m. Adult Social Care continues to progress our Adults Transformation Programme which is expected to deliver some transformation savings and improvements from projects to reduce demand, increase income collection, and deliver cost efficiencies. We will also be developing a savings and investment programme to ensure funding is prioritised in the right places.

The Whole Directorate (including PWC) has an overall FTE of 995.52 FTE. Our overall turnover is at 13.3% with some pockets of high vacancy rates including Social Workers where turnover is at 18% and we have a vacancy rate of 23.6%. We have a high vacancy rate within In House Services of 19% where we are actively recruiting to 4% of these vacancies primarily due to the temporary closure of Wheatridge Court and redeployment of staff to other units. Since Q3 2021/2022 we have recruited 11 people into Social Work role (includes all from ISCM to SW); 24 people into In House Services and 84 people into other Adult Social Care roles which includes all other roles such as Adult Social Care Practitioners and Administrators. Our sickness absence rate is at 12.66 working days lost per FTE which is well above the target of 9 Working days lost per FTE, again this is primarily in pockets of frontline services and action is being taken to reduce this absence. We have actively targeted increasing the number of PDR's undertaken within the Directorate with 88.3% completion rate at the end of Q3 2023/2024. Within Adult Social Care Operations 57.5% of the mandatory courses; 36% of the mandatory e-learning and 20% of the CPS mandatory training have been completed.

Outcomes and Priorities for the year

Priorities for 2024-25: -

Develop our strategic commissioning priorities, supporting providers, supporting innovation and supporting prevention. This will start with our Market Position Statement and include implementing a new Provider Assessment and Market Management system.

Develop our Internal and External Workforce Strategies, focusing on recruitment and retention, learning and development, and digital skills and capability.

Ensure our operational teams who are assessing and delivering care are fit for the future. This will start with modernising our core processes of financial assessment, charging and brokerage, and reinforcing our model of strengths-based assessment of need.

Deliver the Adult Social Care outputs of the health and social care system transformation of urgent and emergency care, focusing on intermediate care, domiciliary care and models of social work to support hospital discharge.

Deliver our Data and Intelligence Strategy and Quality Strategy, supporting our overview of all our statutory and commissioned functions, management of risk and improved confidence in services, our approach to Equalities, Diversity and Inclusion and our ambition to become intelligence led.

Continue to prepare for the new regime of regulatory oversight by the Care Quality Commission.

Develop our approach to co production with people with lived experience of disability and long-term conditions and engagement with the communities that support them.

Develop our approach to our statutory obligation to prevent, reduce, and delay needs for care and support.

Continue to deliver on the Council's strategic objectives (2022-2026) for Adult Social Care:

- Make early intervention and prevention, together with strength-based working, into all aspects of our work across the Adult Social Care System, and in our engagement with the developing Integrated Care System in the county;
- Build a world class 'model' of short-term care (the 'Enhanced Independence Offer') together with the NHS and other partners;
- Deliver a Technology Strategy: exploring the potential of digital and technology to support carers and improve the quality of care that people receive. This will include digital inclusion, optimising the delivery of care through reprocurring our Technology Enabled Care contract, and modernising our council systems.
- Work with independent care providers to address capacity gaps and over provision, including use of central government funding to improve the terms and conditions of care sector staff.

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| Directorate | Public Health and Communities |
|-------------|-------------------------------|

Context and Strategic Direction

Public Health and Communities continue to deliver against the Council strategy 'Building Back Better', which provides the strategic context for our work to support local communities to recover following the pandemic. We delivered the Levelling Up Together Grant Scheme and administer the Build Back Better councillor scheme which invests in local community initiatives, with the objective of building on strengths and meeting the needs and aspirations of residents. We will continue this work through the Levelling Up Round 2 funding commitment and further investment into the 'Build Back Better' councillor scheme.

The pandemic and cost-of-living changes have re-emphasised inequalities and brought about challenges for our communities. Tackling inequalities underpins our strategic direction and we will continue to prioritise work to reduce disparities in health outcomes and ensure that all residents have the same opportunities to enjoy good health and wellbeing. During the Covid response period some demand led services saw a reduction in take up; we are now seeing this recover to pre-pandemic levels, with high performance in some areas.

Under the Health and Care Act 2022, the Gloucestershire Integrated Care System was formalised into a legal entity with a newly established 'One Gloucestershire Health & Wellbeing Partnership'. This presented an opportunity to build on our commitment to partnership working to make a real difference to the health, care and wellbeing of people who live or work in Gloucestershire. It draws on the assets of all our partners including our communities to ensure people in Gloucestershire can live happy and healthy lives. As a public health team, we will continue to work with the local NHS, social care and the wider public, voluntary and community sector to maintain our joined-up approach to delivering the new Integrated Care Strategy, alongside the ongoing delivery of the strategic priorities in the county's Joint Health and Wellbeing Strategy.

We have reviewed our team structure to better align to our priorities to work with system partners in addressing the wider determinants of health and to improve overall health and meet the needs of individuals who face multiple disadvantages. Our structure will also enable us to link more with District partners, Integrated Locality Partnerships, and communities so we can better listen to their concerns, build on strengths and improve outcomes based on need.

In October 2023 the Government published "Stopping the start: our new plan to create a smokefree generation" which includes a commitment to increase the budget for stop smoking services as well as potential changes to the legislation and

increased investment in enforcement. This will support our team's work to reduce the prevalence of smoking and address the rise in young people taking up vaping.

Patterns of migration and national migration policy have changed in recent years. The Government has committed to funding the Homes for Ukraine scheme until at least March 2024 and our team continue to support guests who are arriving in to or moving within our county. This will remain a strategic priority over the next 12 months alongside work with partners to support the health and wellbeing of other refugee and asylum-seeking communities in the county.

Our team continue to deliver against the Council's statutory responsibilities for health protection, working with system partners to prepare and respond to new and emerging threats.

Needs Analysis

Our understanding of need in the local community is set out in our Joint Strategic Needs Assessment (JSNA) which is a strategic planning tool that brings together the latest information on the health and wellbeing of people who live in Gloucestershire. Much of the data in this tool covers the covid-19 pandemic period, which influenced patterns of health, disease, and health behaviours.

Overall, health outcomes are above the national average. Deaths from the major diseases like heart disease and strokes are below the national average and generally following a downward trend although it is worth noting the under 75 mortality rate for all causes and cardiovascular disease increased in 2020 before falling in 2021 reflecting the impact of the covid-19 pandemic.

However, there are areas of the county where residents' outcomes fall well below national averages and where, as a result, local people are more likely to depend on the services we provide. 19,415 people (3.1% of the county's population) live in areas amongst the most deprived 10% in England¹. We also have an ageing population. The proportion of people in Gloucestershire aged over 65 has increased from 18.7% of the population in 2011 to 21.7% of the population in 2021². The proportion of people over 65 is set to increase by over 50% from the 2018 baseline by 2043³, highlighting the ongoing need for effective preventative interventions across the life course that will help people to age well.

Life expectancy at birth and at 65 years of age is better in Gloucestershire compared to England overall⁴. Although less pronounced than the England average, there is a gap in life expectancy between our most and least deprived areas. In

¹ IMD 2019, MHCLG and Mid 2020 Population Estimates ONS

² 2011 Census and 2021 Census, ONS

³ 2018 based sub-national population projections, ONS

⁴ Public Health Outcomes Framework, OHID [Public Health Outcomes Framework - OHID \(phe.org.uk\)](https://publichealthoutcomesframework.org.uk/)

Gloucestershire (2018-2020), inequality in life expectancy at birth is 7.6 years for males in the most deprived areas of the county when compared to the least deprived, and 5.8 years for females². Nationally the gap in life expectancy between those living in the most and least deprived areas has increased in recent years, locally the gap in life expectancy remain largely unchanged. Healthy Life expectancy in 2018-2020 was 67.4 years for men and 66.4 years for women, which are significantly better than England averages.

Evidence tells us that some individuals may be more likely to experience poorer health outcomes than others often linked to other vulnerabilities or disadvantages in their lives. This includes, but is not limited to people from ethnic minorities, those with disabilities, LGBTQ+ individuals, people facing socio-economic disadvantage and people with mental ill-health. Understanding and addressing these inequalities remains a priority.

When we compare Gloucestershire to other similar areas (local authorities with a similar demographic), there are some key areas that stand out as needing additional focus. For example, we exceed our statistical neighbours' average for late diagnosis of HIV, rates of smoking at time of delivery in pregnant women, and hospital admissions caused by unintentional and deliberate injuries in children aged 0-14. The pandemic has impacted on many people's mental health and under 75 mortality for those with a Severe Mental Illness is higher than average and has been for some time. In addition, the proportion of the eligible 40–74-year-old population offered a health check has been lower than average for a number of years⁵.

The most recent National Child Measurement Programme data (2022/23) shows that our prevalence of childhood obesity among year 6 children (20.4%), has decreased compared to the previous year (20.8%) and remains significantly better than the national average (22.7%). However, obesity levels remain higher than before the pandemic (18.2% in 2018/19).

Our Service User Diversity Report highlighted that many of our commissioned services are not providing or have large gaps in their data collection for some key protected characteristics such as ethnicity and disability which needs addressing. For example: white-British ethnicities are over-represented in our Healthy Lifestyle Service; and in our drugs and alcohol service, men and white ethnic groups are over-represented; and there has been a reduction in HIV testing in non-white ethnic groups.

It is vital that we maintain an up-to date picture of local need, particularly given the legacy of the pandemic and economic challenges for our communities. Data is only part of the story, and we will continue to listen to our communities and build local insight into our commissioning decisions.

⁵ Ibid.

Equalities Response

Increasing health inequalities nationally and locally is of concern and is predominantly driven by complex economic, social and environmental factors often described as the 'wider determinants of health'. These require system-wide change, with a focus on those that are more vulnerable such as (but not exclusively) those with a low-income, ethnic minorities, those with disabilities, LGBTQ+ individuals, and people with mental ill-health. In response to this, the Public Health and Communities Hub have reviewed our team structure to ensure we have capacity responsible for wider determinants.

This focus on wider determinants will work alongside our existing responsibilities focussed on reducing health inequalities. This includes our Levelling Up commitment and our key role in the delivery of our Health and Wellbeing Partnership strategies. In order to achieve this, we plan to work more closely with District partners, Integrated Locality Partnerships and local communities to champion a place-based approach.

Smoking, excess alcohol, poor diet (linked also to obesity) and physical inactivity are linked to the major causes of premature death and disability, and are more common amongst low-income groups, some ethnic groups, people with disabilities and other long-term conditions and other marginalised communities. We have also seen a concerning rise in the prevalence of youth vaping both nationally and locally. The recommissioning of our adults' Healthy Lifestyles Service for April 2024, implementation of the recent 'Stopping the Start' smoking policy paper, the mobilisation of our recently commissioned Children's Weight Management service, alongside primary prevention activities will be fundamental in addressing these priorities. The 2023 Director of Public Health's Annual Report focuses on the effects of excess alcohol on individuals, families and communities, and the wider system, and includes a number of commitments by the Public Health & Communities team to take action to reduce alcohol-related harm as well as recommendations to wider system partners.

Addressing the rise in poor mental wellbeing continues to be a priority nationally and locally. We will continue to work with our ICB commissioning colleagues and our providers to increase awareness of poor mental wellbeing, increase access to early intervention support and monitor inequalities in outcomes.

Finally, we recognise that there are concerning gaps in the data we are receiving from our providers which is essential to be able to monitor inequalities in access and outcomes, we also recognise that some groups are under-represented within our services which needs further investigation and action to address. Over the coming year we will work with our providers to improve this position.

Resources

The directorate received £26.1 million annual Public Health grant from the Government in 23/24 to commission our core programme of health and wellbeing services; and deliver our mandated duties. We also receive separate funding from the Council to support the provision of Community and Accommodation Based Support and Domestic Abuse support services.

Further to this, the Council is receiving additional grant funding from the Department of Levelling Up, Housing and Communities (DLUHC) (currently on an annual basis until at least 24/25) to deliver its new statutory duties under the Domestic Abuse Act 2021. Separate to this the council has received additional government funding from the Supplemental Drug and Alcohol Treatment and Recovery Grant (SSMTRG), 2022 – 2025, to support the local implementation of the recommendations from the National Drugs Strategy 2021. There are indications that a further ring-fenced grant to enhance Stop Smoking Services will also be received in 2024/25.

The team is currently administering funding received by the Council from the Government to support delivery of the Homes for Ukraine programme and will shortly become responsible for overseeing the administration of the UK Resettlement scheme funding.

Our net submission to the Medium-Term Financial Settlement for 24/25 totals £730K. This is required to meet inflationary increases in contracts and pay awards.

The Government allocation for that the Public Health Grant will see a below inflation uplift of 2.2% in 24/25 and this may result in medium to long term cost pressures on the ringfenced grant.

Public Health is currently holding an increased level of ringfenced financial reserves arising from underspend during the pandemic when some services were scaled back. The pandemic demonstrated the importance of maintaining sufficient contingency in the public health reserves and this will be taken into account in our plan for any reserve expenditure. The reserves will be used as appropriate to help manage any cost pressures in the grant, and a proportion will also be allocated to other identified areas of expenditure consistent with the grant criteria and the short-term nature of the funding. Reserve expenditure will be subject to the appropriate governance and approval processes.

The total FTE of the Public Health and Communities Hub (as of October 2023) is 38.6. This is currently supplemented by 12 FTE additional staff working in the Homes for Ukraine team.

Outcomes and Priorities for the year

- Deliver on our strategic commitment to support the Levelling Up priorities in the Council Strategy through the Levelling Up our Communities theme led programme, continuation of the 'Build Back Better' – Councillor Grants and continuing to work alongside our diverse neighbourhoods and communities to better understand and respond to their needs.
- Continue prioritising work to tackle health inequalities and meet the Council's statutory duties in improving health and wellbeing through all of our workstreams, including championing our recently launched Health Inequalities Hub, and helping facilitate the county wide Anchor Institutions approach.
- Continue to lead and support the ICS's efforts to embed 'prevention' across the local system and deliver the Integrated Care Strategy for 'One Gloucestershire'. This includes working with GCC and system leaders on the ICS Ageing well programme and 'Working as one' programme.
- To continue to collaborate with the ICS on population analytics and using data and insight to identify inequalities in access or outcomes and act.
- Work with system partners to address the wider determinants of health, including developing our workplan around the impact of the natural and built environment on health and encouraging and enabling individuals and communities to adopt healthier lifestyles across the life course, particularly those who face the greatest barriers.
- Implement the objectives from the national 'Stopping the Start' tobacco policy to support the mobilisation of the re-commissioned adults' healthy lifestyles service.
- Take forward the commitments from the 2023 Director of Public Health's annual report to contribute towards reducing alcohol-related harms.
- Continue to lead and support work to ensure that all children and young people have the best start in life, including supporting the development of Family Hubs, embedding the new community weight management service for children and young people, and continuing our work to reduce smoking in pregnancy.
- Implement the Council's statutory responsibilities for health protection assurance, and work with system partners, including the UK Health Security Agency to respond to threats from other infectious illnesses.
- Deliver mandated public health functions including health protection assurance, sexual health services, oral health promotion, the National Child Measurement Programme, NHS Health Checks, Public Health Nursing Services and providing a public health "core offer" to the ICS.
- Continue to work with system partners to lead the Homes for Ukraine programme and support the health and wellbeing of asylum seekers and refugees in Gloucestershire.
- Work with system partners to ensure progress against the 7 priorities of the Joint Gloucestershire Health and Wellbeing Strategy (physical activity, Adverse

Childhood Experiences (ACEs), mental wellbeing, social isolation and loneliness, healthy lifestyles, Best Start in Life, and housing)

- Work with our new provider and system partners to ensure a high-quality adult community drug and alcohol service is delivered and, through the Combating Drugs Partnership, to implement the recommendations in the National Drug Strategy.
- Continue to support a place-based approach to improving health and wellbeing by working with colleagues in the six district councils and the Integrated Locality Partnerships (ILPs).
- Work with system partners to support the health and wellbeing needs of individuals with complex needs and continue to manage services commissioned through the Community and Accommodation Based Support Framework.
- Continue to lead the Domestic Abuse Local Partnership Board and implementation of our statutory duties for Domestic Abuse, refresh the Needs Assessment, Strategy and Delivery Plan for 2024-27.
- Work with partners to improve population mental health and wellbeing in line with the countywide Mental Health and Wellbeing Strategy; and roll out a new countywide suicide prevention strategy.
- Ensure all our commissioned services are providing timely and complete data to enable us to identify, resolve and monitor inequalities in access and outcomes.
- Work with system partners to ensure that we are prepared for and resilient against current and future communicable disease threats to our population through ensuring systems are in place for preventive activity including vaccinations, infection prevention control strategy and effective public health actions in response.

Directorate**Economy, Environment and Infrastructure (EE&I)****Context and Strategic Direction**

The Economy, Environment & Infrastructure (EEI) Directorate supports the long-term delivery of sustainable economic growth across the county. We ensure communities can connect with, access and use local services; enable the delivery of new housing and employment sites; create opportunities for business innovation; support individuals to retrain and learn; protecting and enhancing the green, built and historic environment of the county and push for a carbon free future.

In addition to the delivery of place changing services which enable the county to grow and prepare for the future, the Directorate has a strong regulatory role which is particularly important in terms of place making and ensuring that areas are pleasant to live in and normal life can exist, services such as parking services, registration, well maintained highways and planning enforcement have a large impact on people's lives.

Essentially, we ensure places are effective and efficient. We do this by:

- Helping to plan and provide the infrastructure and services needed to support long-term sustainable growth.
- Supporting people and communities to feel safe and empowered by creating a sense of place.
- Enabling people and communities to access essential services locally.
- Delivering opportunities for job hunting, career development, training, learning, and upskilling to support inclusive growth.
- Providing choices for how people connect with and access places either by driving, walking, cycling, or using passenger transport.
- Managing the municipal waste stream to Reduce, Reuse, Recycle and Recover waste; and
- Lead the strategy and actions to help address the climate and ecological emergencies whilst building the resilience to adapt to climate change, protect homes and businesses in emergencies, and recover quickly when they happen.

We, along with our partners, are not only responsible for delivering today's services, but also designing those services and infrastructure requirements necessary to support and enable communities in the future. We engage and help implement a range of plans and strategies including: the Joint Strategic Plan, Gloucestershire Economic Strategy, Climate Change Strategy, Municipal Waste Management Strategy, Gloucestershire Energy Strategy, Gloucestershire Skills Strategy, the Local Skills Improvement Plan, Digital Strategy, Air Quality & Health Strategy, Local Development Guide, Minerals Local Plan, Waste Local Plan and Local Transport Plan.

Work at regional level is also of increasing importance as we build resilience and sustainability into our economy, and we will continue to collaborate with colleagues across the Western Gateway economic and transport bodies to support this, along with the River Severn Partnership.

Needs Analysis

Gloucestershire has a prosperous and resilient economy set within a highly attractive natural environment, which offers a high standard of living for local residents. The population of Gloucestershire was estimated to be around 645,100 in 2021ⁱ. Assuming current population trends continue, ONS projections suggest that the population in Gloucestershire will reach 683,849 by 2028 and 738,482 by 2043ⁱⁱ. As the population continues to grow it brings with it an increased demand for services, jobs, houses and more, and opportunities for increased productivity and investment.

The dominating feature of population projections for 2018 to 2043 is the sharp increase in population in the age group 65 or over, which is projected to increase from 134,973 in 2018 to 205,865 in 2043 (an increase of 52.5%). The working age population (aged 16-64) is projected to rise by only 6.9% over the same period. This growth is slower than the national trend for this group and means that by 2043 the working population in Gloucestershire will have fallen from 60.7% to 55.7% of the populationⁱⁱⁱ.

Although Gloucestershire generally benefits from a high standard of living, this is not evenly distributed across the county, and pockets of deprivation do exist particularly in the main urban areas and in some of the market towns^{iv}.

A strong economy is essential if we are to realise the potential that employment has to improve the health of the local population. Gross Value Added (GVA) is a measure of the value of goods and services produced in an economy and is the main indicator used to monitor the overall economic wellbeing of an area. The total GVA of the Gloucestershire economy was approximately £19.1 billion in 2020, being 13% of the value of output in the South West and 1.0% of the UK economy. According to latest figures, GVA per head in Gloucestershire was £29,574, which was above the South West (£26,219) but below the UK average (£30,443)^v. Productivity in Gloucestershire as measured by GVA per hour worked stood at £37.39 in 2021 this was higher than the regional average of £34.48 but lower than the UK average of £37.7. When compared to other Local Enterprise Areas, Gloucestershire ranks 12 out of 38, this was largely driven by high levels of productivity in Cotswold and Forest of Dean with both districts exceeding the national average in terms of productivity and sitting amongst the 20% most productive local authority districts in England^{vi}.

There are around 30,075^{vii} enterprises in the county supporting a workforce of approximately 342,000 jobs^{viii}. The majority of the businesses in the county are small, with 88.8% employing less than 9 people^{ix}; this reflects the picture at national level. Both manufacturing and health are significant sectors in terms of employment accounting for 10 and 14.0% of employment respectively^x. Other major sectors include education, accommodation, food services and wholesale and retail. There is a positive entrepreneurial culture in Gloucestershire, and start-up businesses have a high survival rate. 93.8% of businesses born in 2020 survived one year and 62.6% of businesses born in 2018 surviving three years (national average of 92.4 per cent and 57.4 per cent respectively). However, there are signs that business survival rates are falling in the county, in opposition with the picture seen at a national level. In addition, in 2021 business deaths outnumbered business births in Gloucestershire this was the first time this had happened since 2010 and contrasted with the picture at national level, where there were more business births than deaths^{xi}. Levels of self-employment have historically been higher than the national average, however, in recent years there has been a decline in self-employment in line with national trends.

The health of the Gloucestershire labour market is recovering having deteriorated following the Covid-19 pandemic in line with national trends.

The employment rate (the proportion of residents aged 16-64 years who were in work) stood at 76.4% during the peak of the pandemic and has recovered to 80.7%, higher than the national average (75.7%). The corresponding unemployment rates have consequently reduced. The number of people claiming unemployment related benefits peaked at 5.0%. By Oct 2021, this figure had fallen to 2.1%, although it increased to 2.3% in August 2023. However, in line with the national and regional picture there are concerns about an increasing proportion of the working age population becoming economically inactive, with 17.3% of the 16–64-year-old population falling into this group, up from 15.3% pre pandemic.

Gloucestershire has, well-qualified population with those holding Level 4+ qualifications accounting for 38.3% of the 16–64-year-old population, above the national average of 37.0% and the regional average of 35.9%. At the other end of the scale 9.6% of 16–64-year-olds in the county have no qualifications, and although this is lower than the national average it is still significant. The high skill level of the population is reflected in the occupation structure. Managerial, professional, and associate professional occupations feature highly in Gloucestershire with these three groups accounting for 46.6% of employment in the county, slightly higher than the regional and national averages of 44.7% and 46.2%.

Essential services are those necessary to ensure the full social inclusion of people in society. Gloucestershire has around 3,300 miles of roads^{xii} and over a quarter of a million households. Over 40,000 households (16%) are without a car or van to enable them to access essential services^{xiii}.

The county's natural environment is a valuable resource. The rural nature of the county is what attracts many residents to the area and facilitates access to open space improving health and wellbeing; however, it can also create problems of accessibility and isolation. This can affect all parts of the population – particularly the elderly and for people who rely on public transport. Managing bus service provision and ensuring internet access is essential to keep communities joined up to local essential services.

Pollution poses a threat to the natural environment and the health of the population. Air quality in Gloucestershire is generally good; however, there are Air Quality Management Areas (AQMA) in 4 districts, Cheltenham, Gloucester, Forest of Dean and Cotswold. Whilst vehicles are getting cleaner vehicle trips have increased and little progress has been made towards reducing emissions here over the past decade. The AQMA's are located in urban areas or in the case of the Cotswold's at the A417 Air Balloon major road junction; three AQMA's are located in areas of high deprivation, with studies showing that those who pollute the least are affected the most.

There is evidence that noise pollution can lead to a range of health problems including increased stress, strokes, high blood pressure and heart attacks. The county has low levels of population exposed to road, rail and air transport noise pollution both during the day (3.4% of the population) and at night (5.9% of the population). This is broadly in line with the regional average and below the national average^{xiv}.

Climate change predictions suggest incidences of flooding will become more frequent and pressure to provide more housing means new housing developments are being built on land vulnerable to flooding. In addition to increasing the frequency of flood events, predictions also suggest climate change will mean the UK will experience hotter, drier summers and warmer, wetter winters alongside more extreme weather events with floods, storms and heat waves of greater severity and frequency. These changes will have an impact on the resilience of our transport network and how we manage the maintenance of the highway. Our operations are likely to need to become more able to deal with extreme events and emergency response.

In 2021 Gloucestershire's carbon dioxide emissions stood at 4.7 tonnes per capita, this was slightly higher than the regional total of 4.2 and in line with the national total of 4.6 tonnes per capita^{xv}. Considerable work has been undertaken in recent years to reduce carbon dioxide emissions to mitigate the impact of climate change; this action has seen emissions in Gloucestershire fall from 8.0 tonnes per capita in 2005 to 4.7 tonnes in 2021, although it is worth noting the figure has increased since 2020 when it stood at 4.0 tonnes, this was lower than normal due to the impact of COVID restrictions.

The disposal of waste is an important environmental issue due to the pressures created by the use of transport and landfill sites, which includes the emission of methane, carbon dioxide and other greenhouse gases. Around 299,598 tonnes of household waste was produced in 2021/22 in Gloucestershire. The projected increase in population and continued economic development means this figure is likely to increase over the coming years. The Gloucestershire Energy from Waste facility at Javelin Park has significantly reduced the county's dependence on landfilling (with 97% of household residual waste now diverted from landfill), whilst recovering value from waste in the form of electricity, recyclable metals, and aggregate. Despite excellent progress on waste recovery, waste reduction, reuse and recycling remain the best waste management outcomes for the environment. Our countywide recycling, reuse and composting rate of 50.8% remains above the national average of 42.5%, but has plateaued in recent years^{xvi}. Further work is needed with district council partners and with local communities to reduce waste and associated carbon dioxide emissions.

Equalities Response

Highways & Infrastructure

We are committed to providing services for all users of the highway network. Our repair and maintenance work, including our response during adverse weather, is prioritised on the basis of the road hierarchy which takes into account the variety of users, as well as the location of schools, health facilities, employment sites and residential areas. Our street lighting service provides a safety benefit for all highway users including vulnerable groups.

In times of adverse weather, we work closely with community groups and parish/town councils to ensure that they have the right resources, such as sand bags, grit bins, bagged salt, to be able to provide a local response. Similarly, when dealing with flood events we will prioritise our response on the basis of vulnerable groups or individuals, working closely with the local community.

We are investing heavily in providing new cycling and walking routes. This includes the new 26 mile cycle spine which connects the urban centres of Cheltenham and Gloucester access to employment and education, enabling active travel choices by many more people including those on low incomes and in deprived areas.

Our approach to designing new infrastructure is inclusive and aimed at making it accessible for the most vulnerable in society, including accident reduction schemes, new infrastructure and taking opportunities in maintenance schemes to improve

provision for as many users as possible. All new schemes undertake an Equality Impact Assessment.

Our major infrastructure delivery such as M5 Junction 10 and Arle Court Transport Hub take the same approach of designing for accessibility. At Arle Court Transport Hub there will be enhanced bus service provision, alongside the interchangeability with active travel modes.

Traffic and Transport

We are committed to ensuring that all groups are able to make use of our transport networks and able to use the highway network safely.

We actively monitor our Road Safety performance and the number of casualties that are occurring across our highway network. This data is split across a number of categorised groups such as older drivers, children and vulnerable users such as cyclists and pedestrians. Our road safety programme and investment is then tailored to tackle specific issues affecting key user groups and prioritised to also reflect problems that can occur with more vulnerable users and in areas of deprivation.

We also know that bus service provision is key to supporting equality issues across a number of groups and we continue to prioritise investment in supported services to enable access to employment, education and training and to support rural accessibility and reduce rural isolation. In addition, we are delivering a Demand Responsive Transport trial -The Robin - in 2 key rural areas of the County and will look to expand to a further 3 areas in 2024.

Our parking enforcement across the highway network specifically supports traffic management and restrictions that have been implemented to support safety and accessibility across our highway network and to ensure that access and provision is maintained particularly for users who are mobility impaired.

Every day our School Crossing Patrols and Bikeability trainers support hundreds of school pupils with valuable road safety and life skills. Recently we have expanded our Bikeability service to be more inclusive, using adapted bikes for people with disabilities and catering for families. Through our growing awareness of intersectionality, we aim to introduce women led bike rides in BAME lower income communities in 2024, helping to reduce socio-economic and health inequalities.

Our Highways Development Management team also works closely with developers and the Local Planning Authorities (District Councils) to ensure that any new infrastructure is inclusive and aimed at making it accessible for the most vulnerable in society, safe to use and supports as many users as possible to make sustainable transport choices.

Libraries & Registration

We have 32 libraries run by the County Council in Gloucestershire. In addition, we have 8 libraries run by people in our communities. In order that our services are accessible to all and not just through a physical visit, our libraries also have e-stock, a virtual reference library and online activities which can be accessed remotely through mobile devices and computers.

We use information about library users to help ensure stock provision and services continue to be relevant to changing needs. Library stock is purchased to cover wide ranging and comprehensive areas of interest and to also promote equality and diversity.

We are committed to including diverse stock in our regular selections, though we are somewhat limited by publishing in certain categories. We have access to software that helps us to monitor and improve on our diverse stock content. We have a core collection of eBooks in alternative languages and aim to work with local organisations to help us identify the language and diversity needs of a community.

Provision of activities for children and families is a core element of the library service. Our activities promote inclusion and we have hosted Baby Bounce and Rhyme using sign language and in foreign languages. We held over 2,250 events attended by more than 22,950 children during the first half of 2023/24. This was an increase of over 31% attendance over the same period last year.

Libraries have been participating in the 'Warm Places' initiative to support those impacted by the cost-of-living crisis. This provides people with a warm place to go as well as free warm drinks.

We have 7 Registration offices to service the residents of Gloucestershire and the

Registration Service is committed to Equality & Diversity. If needed, we enable customers to have an interpreter to assist in appointments and will arrange one for them if they are unable to provide their own. Interpreters are particularly required in Notice of Marriage for Foreign National appointments and the subsequent ceremony to ensure a successful outcome.

We are able to arrange a British sign language interpreter for those who may need this assistance at appointments. Additionally, we are investigating basic BSL signing for Officers. We support anyone with special needs or learning difficulties by encouraging them to be accompanied at any appointment to support those less able and ensure the appointment is successful.

We arrange Registrar General Licenced Ceremonies. These are short notice marriages, usually one party is deemed by a medical declaration to be terminally ill. We will arrange for our Registrars to attend and conduct the marriage either at home

or in the medical establishment they reside, to ensure the wishes of the couple are met.

We have, introduced a further 2 registration offices that are based in local communities which allows greater access without the need to travel. These locations are also easily accessible for anyone with a physical disability.

Employment and Skills

Equalities Impact Assessments (EIAs) are in place for all our major projects and initiatives e.g. Multiply numeracy programme, the Employment & Skills Hub Outreach (ESHO) Project.

Staff team - We will continue to undertake an analysis of the demographics to ensure that we have a diverse team that are representative of our communities including carers, LGBTQ+, BAME, a wide age-range, and disabilities.

Use of equalities data to inform and improve our service offer - We collect and monitor data covering age, disability, gender, sexual orientation and ethnicity to ensure that our courses, programmes and services area accessible for anyone with a protected characteristic.

A project is underway within Adult Education to improve the use of Equality and Diversity Impact Measures (EDIMS) in planning and improving the accessibility of courses, as well as ensuring that course outcomes are comparable across all learners with protected characteristics. This will be enhanced through more effective data analysis and reporting across the service.

Use of customer feedback - we will gather and respond to the needs of our customers and learners. Mechanisms include customer and employer surveys; focus groups; Heart of the Hub - which is a user-led group that informs the development and quality of our services.

External monitoring and reporting of our equality and diversity work - Our external quality assurance mechanisms (the Awarding Bodies, Ofsted, annual ESFA subcontractor audit, Matrix accreditation for careers support, the Supported Employment Quality Framework (SEQF)) include self and external analysis of our customer and learner data as well as reviews of our systems and processes for supporting customers across all the protected characteristics.

Our teams are experienced in delivering a wide range of programmes for communities that are traditionally thought of as 'hard to reach' and who face a range of barriers to accessing education, employment and training. We will continue to deliver inclusive innovative courses that develop learner confidence and skills, and reflect on, develop and refine the provision through an ongoing dialogue with learners, tutors and partner organisations. Partners and learners support us to evaluate our provision and make improvements for future courses through surveys, group feedback discussions and 1-1 conversations. Their input is essential as we reflect on ways that we can further develop our provision.

Environment and Waste

Climate change has the potential for significant negative implications for people's health, wellbeing and safety, its impact is expected to be greater for those on low

incomes, vulnerable people especially the young and the elderly, and people with additional learning, physical and mental needs.

Planned actions to improve outcomes for these protected characteristics include:

- Further integration of climate change into the Council's decision-making process, with a focus on services for protected characteristics more at risk of disproportionate impact.
- Continued engagement with, and support of, the Gloucestershire Youth Climate Panel.
- Monitoring and improving engagement with staff and residents.
- Championing improved outcomes for all protected characteristics through the work of Climate Leadership Gloucestershire.

Gypsy, Roma and Traveller people have the worst outcomes of any ethnic group across a wide range of areas, including education, health employment, criminal justice and hate crime.

Gypsies and Travellers are recognised as an ethnic group under the Race Relations Act (2000) and Equalities Act (2010).

GCC employs a small Gypsy and Traveller Service Team which consists of 2.5 FTEs (3 staff). Most of the team's time is spent managing the County Council's residential traveller sites and dealing with unauthorised encampments on County Council land.

The Traveller Sites provide accommodation for approx. 80 families in Gloucestershire on a social housing basis, with reasonable rents, and each family have a licence agreement. Providing well designed and managed sites for Gypsies and Travellers, supports happy and healthy communities, addressing wider determinants of health, education and employment is a priority for the service.

Planning and Economic Development

- All plans and strategies will be subject to public consultation and public engagement.
- Paper copies of consultation / engagement documents are made available on request.
- The design and language used within consultation / engagement documents are designed to reduce the risk of excluding anyone and maximise engagement from all members of the public, businesses, partners and stakeholders.
- All views provided will be considered.
- Equality Impact Assessments (EIAs) will be drafted for all relevant projects and strategies. For example, an EIA was produced for the emerging Gloucestershire Economic Strategy.

The Fastershire project and Project Gigabit both seek to address rural isolation, especially in rural areas of the county.

Resources

Budgets

EE&I have a total net revenue budget of £82.839m for 2024-25 which is a reduction of £8.188m from the revised MTFS base budget 23/24 as summarised below, the detail can be found in Annex 2.

The EE&I budget has not been cut by £8.188m the reduction in budget required has been caused by an increase in surplus income from the Energy from Waste facility due to higher electricity sale prices of £15.087m as a one off in 24/25.

EE&I has total cost increases of £10.396m and £15.241m of reductions and income which gives a surplus revenue balance of £4.845m. After you apply the £3.343m use of reserves it means the total movement comes back to the £8.188m reduction in budget year on year.

£91.027m Starting budget (2023/24 revised budget)

£ 1.437m (14%) Permanent contractual inflation

£ 1.202m (11%) Pay inflation plus back pay pressure

£ 1.419m (14%) Permanent increases

£ 6.338m (61%) One off funding

£10.396m Total Cost Increases

-£ 15.087m (99%) One off income

-£ 0.154m (1%) Ongoing income target

-£15.241m Total Cost Reductions & Income

-£ 4.845m Total Revenue Pressures, Savings & Income

-£ 3.343m Use of reserves

£82.839m Economy, Environment & Infrastructure Budget for 24-25

The capital budget for 24/25 is £131.927m which is summarised below, the detail can be found in Annex 8a.

| | |
|------------------|------------------------------------------------------------|
| £ 28.089m | 24/25 Annual capital grant settlement estimated - Annex 8c |
| £ 2.951m | 24/25 MTFS Capital bids - Annex 8b |
| £ 10.000m | Existing investment in Structure Maintenance |
| £ 47.036m | Major projects including Jct.10 at £37.438m |
| £ 17.560m | Specific Cycling projects |
| £ 26.291m | Other various existing schemes |
| £131.927m | Total Capital Programme for 24/25 |

Resources

As a Council we are facing continued difficulty in recruiting and retaining employees in professional roles within the Economy, Environment & Infrastructure Directorate at a time when there is an emphasis on the role of its functions in building the economy.

Construction and infrastructure have been the areas of the economy that have continued to see investment as part of the recovery from the economic difficulties stemming from the Covid-19 pandemic. In addition, employment within the industry has not declined in the same way as travel and leisure, so the difficulty in attracting and retaining skilled staff remains high. Planning (particularly Transport Planning), Highways Development Management, Highways Major Programme and Project management roles are particularly affected, although there is also an impact on most other professional posts.

Candidates often reference more generous packages that can be obtained from, for example, National Highways or from large private sector organisations. These organisations can offer salaries in excess of those within the GCC job evaluated pay ranges. In addition, they can offer incentives, such as a choice of work-related cars, salary bonuses, private health insurance, better flexible working arrangements etc which it is not possible for us to replicate. While we have a Market Rate Supplement for specific posts, this is enabling us simply to maintain the status quo at present although a recent recruitment exercise indicates the market is tightening further. As would be expected, we have put a focus on flexible working arrangements and professional development, but the feedback has been that most large private sector

firms with whom we are in competition offer work from home, flexible working patterns, better ICT and a range of other benefits. The Local Government Pension Scheme is no longer the draw that it may once have been as many large firms offer contributions to money purchase pension schemes and employees are, in general, looking to maximise income.

Effort is being put into expanding apprenticeships across EE&I to “grow” the experienced and senior staff of the future (not least through the Skills Academy set up as part of the Gloucestershire Highways Contracts). We have signed up to the LGA Pathways to Planning scheme which is a graduate scheme for this professional area. We expect the first graduate to arrive in January 2025. In addition, we are part of the Skills Partnership Hub Programme 2023/24 which is looking at the use of apprenticeships in Civil Engineering. We have also created a number of career graded posts to support recruitment & retention. Planning has seen an increase in applications and appointments for their roles as a result of career graded posts.

However, this doesn’t address the increasing demand on the Directorate now or the drain of knowledgeable and experienced staff. The inability to fill posts with directly employed staff means that the Council has to seek to engage consultants from professional firms at fee rates that exceed the cost of directly employing staff and so the costs of projects are increased.

The Local Government Association published the 2022 Workforce Survey which set out the recruitment difficulties in local government. This report said that significant staff shortages in local government risk having a serious impact on councils’ capacity to deliver services. It is also restricting their ability to help government meet key pledges, such as building more homes, boosting, and levelling up economic growth and reforming adult social care. Councils are trying to tackle recruitment and retention issues, such as by offering more flexible working, running targeted recruitment campaigns locally and offering accessible training and development opportunities. To develop the pipeline of skills of which are in desperate need, councils are also looking to grow their apprenticeships offer with two-thirds (62%) saying they were going to do this in 2022/23.

Councils are undertaking a range of actions to help with recruitment and retention.

- The most common (actioned by one in ten) was to offer flexible working. Of those undertaking actions, over a quarter said they considered flexible working to be the most effective one.

- Career grades/frameworks – 80% of councils reported using career framework/grade systems. Just under a half said they had them in place for jobs in planning.
- Better engagement from Managers with their teams.
- Quality conversations with staff about career development.

Articles in the HR press have confirmed these pressures e.g. the “Report on Jobs” survey by the Recruitment and Employment Confederation (REC) and KPMG found recruitment activity continues to rise rapidly across the UK at the end of the third quarter, fuelled by robust demand for staff and rising economic activity. At the same time, a near-record fall in candidate availability drove substantial increases in starting pay. Notably, permanent starters’ salaries and temp wages both rose at the sharpest rates in 24 years of data collection. UK recruitment consultancies signalled a further sharp rise in hiring activity in September amid reports of increased activity at clients and improved market confidence. Permanent staff appointments expanded at a pace that was only slightly slower than August's all-time record, while temp billings growth edged down to a five-month low but remained marked. The upturn in recruitment coincided with further steep increases in demand for both permanent and temporary staff. Overall vacancies increased at one of the quickest rates on record, with growth of permanent staff demand remaining quicker than that seen for temp workers.

Outcomes and Priorities for the year

Highways & Infrastructure

- Ash die back – to deliver the prioritised ash removal programme alongside the delivery of a corresponding replanting programme.
- Highway depots – to work in collaboration with AMPS to develop a long term strategy for the provision of fit for purpose highway depots.
- Recruitment/retention – to focus on recruiting to vacancies in order to create resilience and capacity to deal with the forward programme, combined with a continued focus on completing apprenticeships across the business.
- Contract Renewals & Extensions – complete the reprocurement and mobilisation of new street lighting contract; as well as conducting contract reviews for the other key highways contracts.
- M5 Junction 10 Delivery – Provide required input to the Development Consent Order examination by Planning Inspectorate for M5 J10, alongside continued work to enable the delivery of the scheme. This will include completion of the £33m Arle Court Transport Hub in 2024.
- Scheme Delivery - Delivery of further phases of the Gloucester Cycle Spine and other elements of the infrastructure programme, and delivery of the 24/25 surfacing programme across the county
- Future proofing - conclude a trial and review of maintenance and winter treatment requirements for cycle routes.

- Highways Transformation Work – to work across teams and with colleagues and partners to support improvements to efficiency, delivery and customer service through the Highways Transformation Programme; delivering ongoing improvements to defect repairs; minor works; customer journey; streetworks; and network maintenance workstreams; as well as continuing with enhanced programs to support Human Resources, Communications and IT project enablers across the Highways and Transport Directorate.

Traffic & Transport

- Through the Road Safety Partnership, we will deliver route-based road safety schemes and review speed limits on highest risk roads as part of a broader programme aimed at reducing the number of collisions and casualties on our roads. We will do this through increased investment in our Road Safety programme in 2024/25, which will support our objective of reducing serious casualties and fatalities on the network by 50% by 2032.
- Continue to support our transport objectives through active parking enforcement and learn from the current 4 initial sites that are being introduced for enforcement of moving traffic offences in late 2023.
- Continue to ensure that any utilities operating on our network comply with the national statutory requirements and additionally introduce a local code of practice clarifying the levels of service quality that we expect utilities and developers to undertake when working on our network.
- Expand Bikeability training from 64% to 80% of year 6 pupils by March 2025 with additional funding from Active Travel England. Manage the county's e-scooter trials, e-bike hire schemes, and expansion of secure cycle parking facilities to provide low carbon, healthy transport options, improve access to employment and improve air quality.
- Develop the Traffic Engineering and Road Safety team's skills and capacity to deliver sustainable travel, road safety and public transport infrastructure schemes that support the council's transport and strategic objectives.
- Manage and maintain highway records, efficiently administering applications for Definitive Map Modification Orders (DMMOs). Manage our investment in traffic signals and controlled crossings to make our roads safer for vulnerable users and make walking more attractive for local trips.
- Enter into an Enhanced Partnership with bus operators and use this to help direct additional investment in expanding rural bus service provision through additional investment in supported services.

- Extend the current Demand Responsive Transport trials (The Robin operating in 2 rural areas) to introduce a further 3 operational rural areas.
- Continue to deliver improvements and meet growth demands for the provision of home to school transport by working across departments and with operators and schools to deliver longer-term sustainability in the provision of this service.
- Reduce transport carbon emissions by accelerating delivery of Electric Vehicle Charge Points, building on the implementation of the Council's first public charge points in late 2023, and working towards our target of 1,000, at on-street locations, fire stations and in the new Arle Court Transport Hub by 2026
- Green the council's fleet with new electric vans and cars for Gloucestershire Industrial Services, Gloucestershire Fire & Rescue Service and other council teams as these come forward in 2024/25.

Planning and Economic Development

- Deliver the Multi Modal Model which is a key tool in planning for sustainable development and challenging car dominated development proposals.
- Progress the M5 Junction 9 project to a non-statutory consultation in 2024/25
- Continue to support National Highways in the delivery of the A417 'Missing Link' scheme.
- Continue to develop the business case for the Mass Rapid Transit system linking primary urban areas and beyond.
- Continue to develop and implement a transport decarbonisation strategy for Gloucestershire.
- Support the review of Local Plans including the Joint Strategic Plan – taking a lead on the county's future growth agenda.
- Deliver Broadband to remaining isolated properties through the Fastershire project.
- Develop a new Economic Strategy for Gloucestershire
- Implement and review the adopted Local Transport Plan and Minerals Local Plan & continue the review of the Waste Local Plan
- Continue to invest in flood alleviation schemes and measures throughout the county.

- Take a leading role in the challenge and review of Community Infrastructure Levy policies with the districts to ensure that income from developments for the provision of strategic infrastructure and transport to mitigate against the negative impacts of development is maintained at an adequate level.

Libraries & Registration

- Deliver Year 2 priorities identified within Libraries 5-year library strategy 2023-2028.
- Assist with the growth of businesses and individuals to support economic recovery through the delivery and promotion of the Intellectual Property service and innovation labs.
- Work with Adult Education on programme of skills training delivered through libraries.
- Expand digital and virtual services and activities available through Libraries and the Labs.
- Support the County Council's Climate Change Strategy through provision of information and activities in local communities.
- Pilot and evaluate a Library of Things in Charlton Kings library.
- Launch and embed the new Stroud library within the Five Valleys Shopping Centre.
- Work with University of Gloucestershire on the relocation of Gloucester library to the new City Campus building.
- Advocate for public libraries role in the regeneration of high streets and explore further relocation opportunities that will enable easier access to library services.
- Embed the Immersive Reality centre in Oakley to encourage digital and creative engagement.
- Deliver Year 2 of the Arts Council England's vision as one of their National Portfolio Organization's.
- Roll out a programme of library refurbishments and extended access through the installation of Open+
- Support the county's residents to access local registration services by reviewing office locations ensuring they are easily accessible.

- Develop digital Registration Services brought about because of the Data Protection & Information Bill.

Employment and Skills

- Manage and deliver the 2nd and 3rd years of the Gloucestershire Multiply numeracy programme through a combination of direct delivery, partner organisations and a numeracy champion network.
- Continue to help residents cope with their cost-of-living challenges through the development and delivery of courses (cooking on a budget, budgeting skills, DIY skills to reduce bills) and signposting to appropriate support (debt advice, financial planning advice, recycling and repair services)
- Expand the employment and skills support provided to refugees and other residents in need of English language skills through countywide delivery of English for Speakers of Other Languages (ESOL) courses and other programmes that further enhance their skills and employability e.g. work with employers to recruit more refugees and continued collaborative working with GARAS.
- Build on the 2023 Ofsted 'Good' grade, inspection report and informal feedback from inspectors, to develop the Adult Education service's quality assurance processes, analysis of learner data and further enhance provision.
- Support the priorities identified in the Gloucestershire Skills Strategy 2022-27 and in the Gloucestershire Local Skills Improvement Plan including support for the improvement of digital and 'green'/sustainable skills and in specific sectors that are experiencing skills gaps, shortages, and recruitment challenges e.g. health and social care.
- Develop a comprehensive offer of online Continuing Professional Development (CPD) courses to enhance the Adult Education offer across GCC as well as externally for employers.
- Seek additional income opportunities to help offset increasing costs.
- Co-ordinate and deliver support to economically inactive residents through VCSE partner organisations (the Employment & Skills Hub Outreach Project). Use this project and learning from it to develop an evidence base and a programme funded by the districts using UKSPF to support those furthest from the labour market into employment, education, or training.
- Refresh the employer engagement strategy and actions to work with employers to create more inclusive workplaces and open up opportunities for those with barriers to employment. Help these employers to improve their recruitment and employment practices and to fill vacancies.
- Utilise funding from the Integrated Care System (ICS) to develop initiatives addressing health inequalities for people at risk of long-term economic activity and working across ICS business areas to identify opportunities for

employment and work placements for young people who have barriers to entering the labour market.

- DeliSecure internal and external funding to continue to improve services for residents and employers.
- Inform and influence the key employment and skills funds and delivery strategies in Gloucestershire to ensure spend based on need and local priorities: Adult Education Budget; Careers & Enterprise Company; UK Shared Prosperity Fund; Strategic Development Fund; Local Skills Improvement Plan; Integrated Care Board; DWP programmes; National Careers Service.
- Maximise the apprenticeship, careers and employment and skills opportunities available through the Social Value of GCC contracts through working with the appropriate GCC teams, contractors and their supply chains.
- Seek and secure sustainable options for the Gloucestershire Careers Hub and Employment & Skills Hub

Environment & Waste

- Manage and deliver waste treatment contracts to ensure that waste is managed in line with the waste hierarchy – reduced, reused, recycled or recovered. Key contracts include:
 - Household Recycling Centre management.
 - Green waste composting.
 - Anaerobic Digestion of food waste; and
 - Energy from Waste.
- Develop refurbishment renewal programme of Household recycling centres.
- Commence Ubico HRC service review, to inform a decision on future service provision.
- Commence procurement of residual waste transfer contract/s and work with planners and property services to secure land options for future residual waste transfer operations.
- Support the Gloucestershire Resources and Waste Partnership with district councils, working in partnership to deliver:

- A resources and waste action plan; and
- A shared communications plan for the promotion of waste prevention and recycling messages across the county
- Support Climate Leadership Gloucestershire in developing a coordinated countywide response to the climate and ecological emergencies in partnership with Gloucestershire's district councils, NHS and Police.
- Lead the development of the Council's Climate Change Strategy and manage delivery of the rolling annual action plan for the council to be net zero by 2030, and Gloucestershire net zero by 2045 (with an 80% reduction in emissions by 2030).
- Support the work of the Gloucestershire Local Nature Partnership in developing nature-based solutions to climate change and promoting nature recovery, with particular focus on delivery of the Gloucestershire Tree Strategy through our commitment to plant 1 million trees in Gloucestershire by 2030.
- Support the Gloucestershire Local Nature Partnership in the creation of Gloucestershire's Local Nature Recovery Strategy.
- Develop and implement the "Greener Gloucestershire" annual community engagement strategy promoting community action and behaviour change to reduce climate change and protect the natural environment.
- Develop plans to decarbonise council buildings and work with our providers to reduce emissions associated with council services.
- Coordinate delivery of the Gloucestershire Air Quality Strategy, working with public health colleagues, district councils and other stakeholders to improve local air quality.
- In coordination with AMPs develop a programme of decarbonisation works and secure funding for installations.
- Produce reports on Green House Gas emissions data, detailing progress following post pandemic changes.
- Continued management and investment in County Council Gypsy & Traveller sites, including heating decarbonisation works.

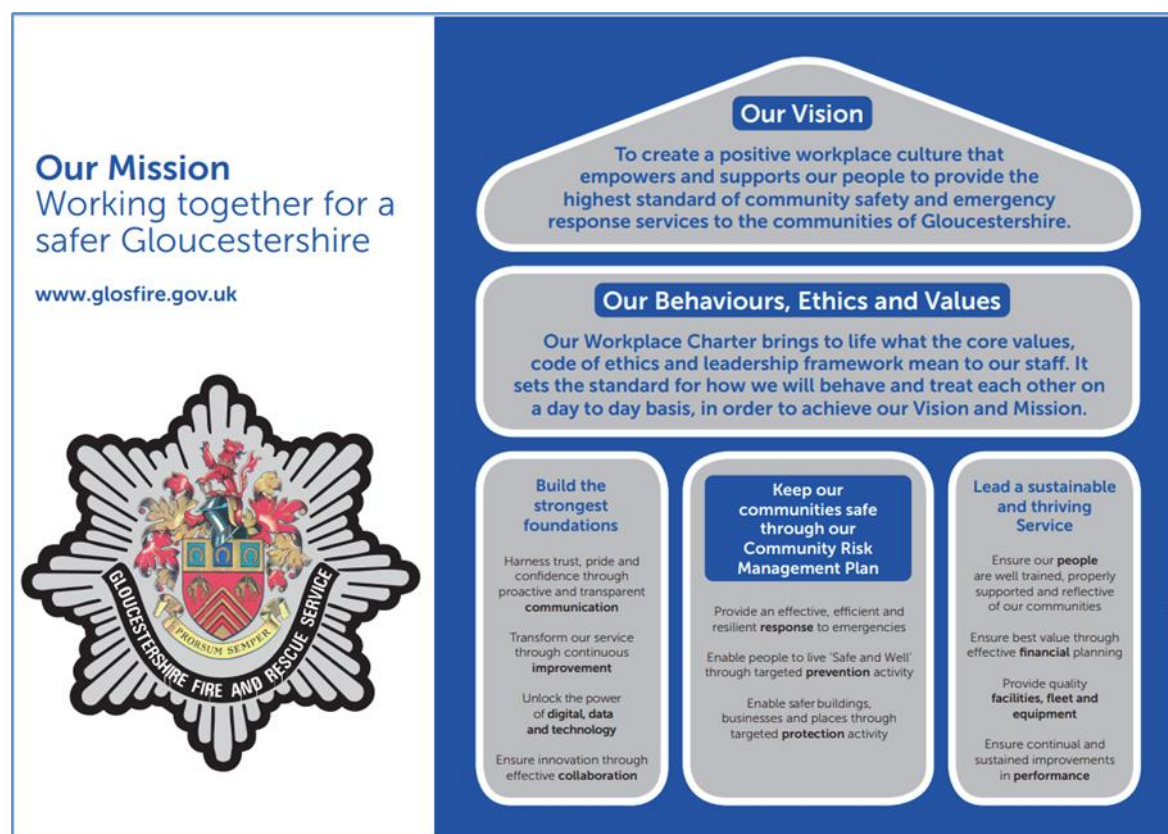
Directorate

Community Safety

Context and Strategic Direction

Gloucestershire Fire and Rescue Service**Strategy**

The strategic direction of the Service is set out in the '*Gloucestershire Fire and Rescue Service Strategy 2022-26*'. This document is designed to guide us on the journey to meeting our Vision, Mission and Values in line with the objectives set out in the '*Gloucestershire County Council Strategy 2022-26*'. The GFRS strategy sets out three '*Strategic Priorities*', each detailing a set of '*Strategic Intentions*'. The delivery of these intentions is supported by a suite of '*Delivery Plans*', which detail how we will succeed. This, along with the '*Annual Service Plan*' and '*Team Plans*', encompass the 'Golden thread' for our Service.



Community Risk Management Plan

The Community Risk Management Plan (CRMP) 2022-26 is a statutory document outlining how we will match our resources to risks within the county through key objectives:

- People and Social Responsibility
Further improve our inclusive culture to ensure that we attract, retain, support and develop a diverse workforce, which is truly representative of our communities.
- Workforce 'Fit for the future'
Develop and shape our Workforce to be 'fit for the future', strengthening health and wellbeing and ensuring that our people are equipped with the knowledge, skills and experience to continue building a safe, effective and resilient service to the people of Gloucestershire.
- Prevention
Deliver tailored prevention activities that effectively and efficiently improve the safety, health and wellbeing of the diverse people who live, work in or visit Gloucestershire.
- Protection
Deliver protection activities, to include inspections, audits, education and enforcement, which continue to reduce the likelihood and impact of fire in commercial buildings across Gloucestershire and reduce the risk to both the public and firefighters.
- Response Arrangements
Review our existing arrangements to ensure that we have the required number of resources, with the right people and equipment, at the right time, in the right location.
- Response Standards
Implement National Operational Guidance and approved National Fire Standards to assure and support operational competence, learning and preparedness.
- Collaboration
Collaboration is important in every organisation. We will collaborate by communicating with partners and building on ideas to innovate or do something differently in the public's interest.

- Asset Management

Continue to provide best value facilities, vehicles, equipment and personal protective equipment (PPE), enabling us to deliver a professional service to our communities.

- Digital, Data and Technology

Increase the use of data and business intelligence tools to ensure that we understand our risks and maximise the use of technology to respond appropriately to those risks.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) reported Areas for Improvement across the Service which are being managed through its Portfolio Management Office (PMO). These are a broad spectrum of improvements across the three pillars of effectiveness, efficiency and people. The PMO assists to oversee and manage change across the Service, ensuring that projects are adequately resourced, delivered on time and in scope.

There has been an increased focus on the two causes of concern identified by HMICFRS during their inspection in November 2021. This stated that the Service: -

- Hasn't done enough since the last inspection to embed its values and associated behaviours, and promote a positive workplace culture.
- Hasn't done enough since the last inspection to improve understanding of the importance of equality, diversity and inclusion (EDI) and remove barriers to establishing EDI in the service.

Improvement Board

To assist to support and monitor progress the GFRS Improvement Board has been established to gain support of the wider County Council. The Improvement board acts as a critical friend as the Service continues its improvement journey to:

- Maintain oversight to ensure that all the required improvements and quality assurances associated with the improvement journey by the Management Team are achieved in a timely manner;
- Add scrutiny and rigour towards achieving the required outcomes;
- Support the Management Team by removing barriers where progress is hampered by elements outside of its control;

- Review the evidence, by way of Status (Ratification) Reports which demonstrates that improvements are embedded within the organisation by the implementation of robust systems, processes, policies and procedures.

Fire Standards Board

The Service is also ensuring the safety and wellbeing of its staff and the communities by embedding the Fire Professional Standards. These are overseen by the Fire Standards Board that has been set up to administer the identification, organisation, development and maintenance of professional Standards for Fire and Rescue Services in England. There are currently 16 Fire Professional Standards that cover subjects such as emergency response driving, fire investigation and emergency preparedness and resilience.

Trading Standards Service

Trading Standards continues to work towards statutory responsibilities which support consumers and businesses across Gloucestershire. This work aligns with the Building Back Better Strategy. The work of the Service contributes towards making Gloucestershire a magnet County where business can trade without unfair competition and consumers get a fair deal, an innovative County where new and existing businesses are supported, an inclusive County where practices which disproportionately affect people with the highest levels of deprivation are challenged and a sustainable low carbon County as the service has increasing duties in relation to the environmental impact of consumer goods and services.

Strategic priorities, determined on risk-based analysis of intelligence, consideration of emerging issues, statutory responsibilities and local influences are: -

- Animal welfare and disease control: supporting the rural economy and working with farmers to mitigate disease risk. Emergency response to disease threats such as Avian Influenza.
- Food safety and standards: ensuring quality and composition of food with specific focus on allergen information.
- Product safety: focussing on the safety of products, such as toys, which can impact the wellbeing of the most vulnerable; supporting the work of Public Health across the County by tackling sale of illegal tobacco, illegal disposable e-cigarettes and access to age related products by young people.
- Tackling rogue traders and tackling scams: supporting vulnerable consumers and those who are victims of organised and targeted fraudulent activity. Leading on establishment of Multi Agency approach to tackling scam activity.

Coroners Service

Background and Context

The Coroner's staff consistently aims to provide a high-quality coronial service that puts the bereaved at the heart of the Coronial process.

When made aware that a body or bodies of deceased persons lie within the Coroner area, the Coroner is responsible for conducting investigations and holding inquests when required (with or without a jury) into deaths to determine who the deceased was, when and where the deceased came by his or her death and how that death occurred (Coroners and Justice Act 2009).

The Coroner must ensure that all relevant facts are the subject of public scrutiny.

A referral is made to the Coroner when there is reason to suspect that:

- The deceased died a violent or unnatural death;
- The cause of death is unknown; or
- The deceased died while in custody or otherwise in state detention.

Staffing Issues:

- The workload has increased significantly alongside the Nationally acknowledged increase in death rates and the subsequent increase in referrals to the Coroner as a result. Based on this trend, future MTFS bids for revenue and capital will need to be explored in order to increase capacity accordingly. Currently, each Coroners officer is managing approx. 40-50 cases which when benchmarked appears to be double that of comparable coronial areas.
- Coronial cases are increasing in complexity, due to changes to case law and the increased involvement of multiple agencies. Rising numbers of bariatric cases and associated challenges are also contributing to increased complexity.
- April 2024 sees the National roll-out of the Medical Examiner scheme where a trained medical professional will have to scrutinise the initial request from every reporting GP regarding every death that occurs in Gloucestershire. This is likely to have an impact of the demand for Coronial services where advice and guidance will be key to the drivers and success of the system.

Needs Analysis

Fire and Rescue Service

GFRS identifies risks via Community Risk Profiles (CRP) which analyse previous incidents, fire safety audits and safe and well visits and future risks that could lead to emergency incidents in the future.

The CRPs inform our decision making regarding the most suitable prevention, protection and emergency response arrangements to manage risk to an acceptable level. The risks we consider include: -

- Fatalities, reflecting the number of people killed at an incident.
- Casualties, covering those requiring medical intervention resulting from an incident and mental health casualty.
- Evacuation and shelter from hazardous events.
- Behaviour, public perception and anxiety.
- Economic, to include property damage, heritage loss and business disruption.
- Disruption to essential services including transport, utilities, finance, communications and other Emergency Services.
- Environmental, including all types of pollution to the environment.

The county is divided into six districts, City of Gloucester, Cheltenham, Forest of Dean, Tewkesbury, Cotswold and Stroud with the main urban centres being Gloucester and Cheltenham where approximately 40% of the county's population live.

Over the last 10 years, population growth has been concentrated in the urban areas although there is now a growing tendency towards residential development in more rural locations. It is for this reason that there is an objective concerning our response arrangements within our CRMP to review our existing arrangements to ensure that we have the required number of resources, with the right people and equipment, at the right time, in the right location. To achieve this an independent modelling company was commissioned to model our future response arrangements based on historical data and what we know the future is likely to bring in terms of risk. Options resulting from this analysis is due to be presented to Cabinet in January 2024, with any implementation being carried out throughout 2024/25.

The Fire Sector has seen dramatic change in the function and services it provides over the last 40 years. The incident types that Firefighters attend in 2023 are very different to those in the 1980's and much more broad ranging. The specialist functions our On-call Firefighters support, both locally and nationally, have increased with a need for further training in areas such as co- responding, terrorism, rope rescue, water rescue and hazardous materials. Changes in roles can be linked to our governance through the Fire Services Act 2004 and the Civil Contingencies Act 2004, which set our statutory duties. A number of changes have also been made through the ongoing Government drive for

the Fire Service reform agenda. Our On-call Firefighters regularly support other partners and healthcare professionals in the delivery of their functions.

In order to provide the level of service determined by our Strategy, CRMP and HMICFRS, GFRS needs to increase available resource supporting frontline services. This will allow the Service to improve overall and embed the new and emerging Fire Professional Standards.

Demographic figures

Gloucestershire has a population of 645,100 – 1.14% of the UK population.

Gender

- Female = **51.1%** (329,646)
- Male = **48.9%** (315,454)

Age Profile

- 0 to 4, **5%** (32,255)
- 5 to 9, **5.6%** (36,126)
- 10 to 14, **5.8%** (37,416)
- 15 to 19, **5.4%** (34,835)
- 20 to 24, **5.2%** (33,545)
- 25 to 29, **5.7%** (36,771)
- 30 to 34, **6.2%** (39,996)
- 35 to 39, **6.1%** (39,351)
- 40 to 44, **5.9%** (38,061)
- 45 to 49, **6.3%** (40,641)
- 50 to 54, **7.2%** (46,447)
- 55 to 59, **7.4%** (47,737)
- 60 to 64, **6.4%** (41,286)
- 65 to 69, **5.6%** (36,126)
- 70 to 74, **5.8%** (37,416)
- 75 to 79, **4.3%** (27,739)
- 80 to 84, **3%** (19,353)
- 85 + **2.9%** (18,708)

Disability

- Disabled Under the Equality Act – **16.8%** (108,376)
- Not Disabled Under the Equality Act – **83.2%** (536,724)

Ethnic Groups

- Asian, Asian British or Asian Welsh **2.9%** (18,708)
- Black, Black British, Black Welsh, Caribbean or African **1.2%** (7,741)
- Mixed or Multiple ethnic groups **2.2%** (14,192)
- White **93.1%** (600,588)
- Other ethnic group **0.7%** (4,516)

Household deprivation

The dimensions of deprivation used to classify households are indicators based on four selected household characteristics (Education, employment, health and housing).

- Household is not deprived in any dimension **53.4%** (344,483)
- Household is deprived in one dimension **32.6%** (210,303)
- Household is deprived in two dimensions **11.4%** (73,541)
- Household is deprived in three dimensions **2.4%** (15,482)
- Household is deprived in four dimensions **0.1%** (645)

Trading Standards Service

Demand needs and drivers:

- Risks and needs are derived through demand on the Service. Each year there are around 7,500 contacts on the service from local consumer and businesses raising concerns or requests for assistance across all areas of Service responsibility. In this way understanding demand on the Service comes from identified needs not assumed needs.
- The Service is undertaking work to understand, at a very basic level, demographics of service users based on segmentation data deriving from their postcode.
- Statutory responsibilities to be delivered on behalf of the County Council.
- National requirements, especially in relation to food and animal feed.
- National requirement to focus on new legislation supported by short-term 'new burdens funding'. This work does not always align with service priorities based on local data so can divert resources away for core work but is important in bringing attention or providing education in these areas.

Concerns:

- Age profile of service requires implementation of effective succession planning to develop qualified and competent professionals. Some work has begun to address this but unless support continues, taking into account recruitment and a training period of 4 years to competency, there remains a realistic prospect that natural retirement of existing team members will leave the Service unable to function. Also see point below.
- Of continued concern this year is a requirement by the Food Standards Agency to deliver mandatory food standards interventions to approximately 2000 high and medium risk food businesses. There are insufficient food qualified and competent officers to deliver this work which is being addressed through succession planning and recruitment.

Projects and significant service changes are subject to equality impact screening or assessment. The work delivered by the service has a neutral impact on any particular group although it is recognised there is little understanding of how members of protected groups contact the Service. Mapping work is in progress to help understand this.

Coroners Service

Current Picture

Exceptional winter pressures, which we continue to face this year are increasing pressure on mortuary capacity. This creates both physical stresses with the movement and handling of these bodies. Additionally, mental / emotional stress, regarding the constant threat of running out of available space whilst managing bereaved peoples' expectations.

We currently have a total of 62 refrigeration units, including 9 units for freezing. Included within that total are 8 bariatric fridges and 4 bariatric freezers. Currently, (18/10/23) we are at 65% capacity, but during December 2022 until March of 2023, we had reached full capacity and had to hire additional pop-up fridges to increase our capacity by another 12 units. This also became critical during those months and additional units were on standby to be hired. Coupled with this there is often a duty to hold on to the deceased long term if certain circumstances dictate and therefore body capacity is increasingly having to be considered.

As alluded to above, additional pop-up refrigeration facilities have had to be hired from specialist providers for an annual on-going cost. A bid for additional refrigeration units will form part of the 24/25 MTFS bidding process. We have not made any MTFS bids in 23/24 due to the timing of the bidding process and a need to conduct a full building and staffing review first in order to understand our position.

The growth in uncertified deaths resulting from the reluctance of many medical practitioners to undertake death certification, causing more Coronial referrals and default post-mortem examinations. The main determinant factor is due to the fact that GPs are not seeing their patients as often as they once did and as a result, they are regularly advising that the death is therefore 'unknown, not expected or, that they haven't seen the patient' within a legally acceptable period of time necessitating referral to the Coroner's office.

This is all in the context of a potentially larger cohort of excess deaths in 2022/3, more than in any of the pandemic years. Emerging Office of National Statistics figures suggest that registered deaths may have jumped to around 650,000, which would be the highest ever number of recorded deaths in England and Wales. This is higher than during the pandemic, but without any extra funding, resources (such as additional body storage), legislative easements and central government command and control that was available during the period of emergency. This trend is thought set to rise. c.40% of all deaths are currently being referred to coroners and Gloucestershire is no exception.

Ongoing risks to the Service

- A lack of duty pathologists available to undertake Coronial post-mortem work remains the highest current risk to the service. (see above)
- Coroner's officers and Anatomical Pathology Technicians working to full capacity and at levels not seen before.
- Potential injury to mortuary staff (increased manual handling) and reduced ability to move deceased around complex arising from an increase in bariatric cases.
- High risk of mortuary equipment failure due to increased usage and approaching end of life. This is being addressed by planning a comprehensive MTFS bid to be submitted in the 2024 round.

Equalities Response

Fire and Rescue Service

- It has been identified by the Home Office that equalities and diversity data in relation to people who are involved in, but not injured in fire incidents is not well-recorded in incident reporting systems. This is being addressed by the national development of improvements to the IRS recording system. This has an impact on the knowledge base about people who may need our services.
- To overcome this gap, Gloucestershire Fire and Rescue Service has reviewed the Service User Diversity Report 2022/23 and cross referenced this against the data held for people who are offered support such as home fire safety, prevention education or early intervention.

- We hold good data about the three different categories for fire risk for people at risk of having accidental dwelling fire, people who are likely to be injured in such a fire and people who are at increased risk of fatality in an accidental dwelling fire. We target our work to meet these risks.
- We use data held by the Office for National Statistics to identify and target our work.
- We commissioned a company to create a risk profile for accidental dwelling fire and have used these data to produce maps for areas at high or very high risk of fire. Elements of the criteria chosen by the company have enabled us to refine this for people at risk of injury.
- We use Exeter Data to refine our targeted work and then provide this information to Wholetime Watches to target community activity.
- We have an action plan in place to gather more diversity data. Managers, firefighters and Community Safety Advisors have been informed about the importance of asking and recording the personal information of people to whom we provide any prevention activity.
- The Inclusion Manager has agreed on the action plan, to train staff in asking such questions in a courteous and compassionate way.
- Quality Assurance is in place to monitor the recording of equalities and diversity data.
- We have carried out an analysis of inward referrals and have taken steps to raise awareness of the people who are at risk of accidental dwelling fire or fire injury to organisations such as health and social care, housing and statutory services across Gloucestershire.

Trading Standards Service

Data identifying the geographic address at postcode level of consumers contacting Trading Standards is being analysed to provide segmentation data around service users.

It is hoped that the analysis will provide indications, based on the prevailing characteristics of residents of the postcode areas, around identifiers such as likely ethnicity, likely scale of deprivation and likely age demographic.

This analysis will be used to help us understand whether there are any groups or areas of the County which are not accessing Trading Standards and allow us to explore reasons why.

Coroners Service

The Coroner's office under the direction and control of the Senior Coroner for Gloucestershire sets the standards of service that bereaved family members, witnesses and other properly interested persons should receive from the Gloucestershire coroner service staff. It will ensure that all coroner officers and staff know the standards they should meet, and that bereaved people and other service users know their rights and responsibilities throughout the investigation process.

<https://assets.publishing.service.gov.uk/media/5e258ec240f0b62c52248094/guide-to-coroner-services-bereaved-people-jan-2020.pdf>

Resources

Fire and Rescue Service

Revenue Funding

The Community Safety Directorate net revenue budget requirement for 2024/25 totals £25.734m and is split as follows:

- Fire and Rescue Service £23.056m
- Coroner's Service £1.463m
- Trading Standards £1.215m

This directorate budget requirement is a net growth of £3.223m on the previous year, including a small £8k increase in fees and charges income.

£1.032m relates to pay inflation across all three services based on an assumed increase of 3% for 24/25 and an additional 1.94% to cover the increase for 23/24 pay awards which were higher than the original budget provision.

Budget growth within the Fire and Rescue Service includes:

- £1.230m for staffing
- £465k for operational training
- £332k for operational equipment and mobilising costs

This funding will ensure there is sufficient resourcing to deliver the CRMP objectives and improvements required by HMICRFS.

The Trading Standards service will receive £172k one-year funding to update the business-critical software system to a cloud-based solution.

Capital Funding

Fire and Rescue

The CRMP highlights the importance of asset management and investment in facilities, vehicles and equipment enabling us to deliver a professional service to our communities. In support of this, new capital schemes, totalling £4.596m, include:

- Front Line Fire Appliances x 10 £3.994m
- Rescue Boats x4 plus trailers and towing vehicles £312k
- Environmental Protection Unit £160k
- Thermal Imaging Cameras £130k

Recruitment, retention, training and skills

We continue to succession plan for the Service with the Workforce Planning Group considering the number of vacancies and forecasting retirements to enable us to plan recruitment and promotion campaigns.

Following a review of the GFRS promotions process (subject to SLT approval) it is hoped to procure external assessors to support both our whole time recruitment campaign and our promotions process. This is to minimise the resources needed from teams across the Service who support the processes by assessing candidates as this slows the pace of work within their main role. It is hoped to fund this procurement from the allocated service area budget.

We are also rolling out Career Development Pathways for all staff identifying both operational and non-operational training that is required at every level of the organisation to ensure there is consistency for all staff and to meet the recently published NFCC Standards. These pathways will be implemented over a 2 year period for wholetime staff and 3 years for on call staff.

The roll out of these pathways will require some commissioning of training and budget will be allocate appropriately from the current Learning and Development budget.

Equalities, diversity and inclusions

We have included EDI training in the Career Development Pathways and the training is being provided either through GCC e learning or being delivered by staff in the team. In 23/24 we commissioned positive action training for all staff and in 24/24 this will continue to be delivered by staff in the team.

As we will be undertaking a wholetime recruitment campaign in 2024 there will be a roll out of Positive action across the Community's delivered by our frontline staff. This aims to attract a diverse range of candidates to apply to join the Service.

We will continue to carry out Equality Impact Assessments on all relevant policies and changes we make in the Service.

Trading Standards Service

Minimal capital expenditure although plans are needed for future capital bids to ensure Service fleet (two vehicles) is properly managed with a sustainable replacement schedule and also that there is a replacement plan for essential weights and measures equipment.

Revenue budget has seen small increase following a successful MTFS bid to support succession planning. Most Service spending is salary related, there is a small impact on spending due to inflationary pressures, income generation remains stable. There are limited opportunities for an enforcement service to charge for work carried out.

Staff retention levels are high with the exception of recruitment over the last 2 years, most team have been with the Service for over 20 years.

The Service has experienced difficulties recruiting qualified officers (national shortfall) but has been successful in recruiting apprentices onto a new professional qualification pathway.

The Service has a 50:50 gender split but is not diverse in terms of race or disability. ED&I considerations featured in recent recruitment with the shortlisted candidates reflecting these characteristics.

Projects and new work include an EQIA for impact on the community, however as much of the work of the Service is enforcement, the need for business sectors to comply with the law can be a factor which mitigates an apparent bias against a particular group.

Coroners Service

Summary

Overall, the set budget for the Coroner Service is largely dependent on the death rate in the County and the number of deaths that are referred to the Coroner for further investigation. The inelasticity of the Coroner's service costs means that we have no control over this and even a short spike in referral rates can have a serious knock-on effect on an already lean budget, especially in terms of spiralling pathology and mortuary consumable costs.

From a staffing point of view, we have successfully applied for and been granted GCC funding for an apprentice, anatomical pathology technician (APT) This training forms part of the Early Careers & Skills Development fund and is being wholly funded by

them. This will create a much-needed member of the mortuary team and is designed to train the apprentice in that role up to a Nationally accredited level capable of being an APT in their own right within 2 years.

An additional Coroner's Officer (CO) role has also recently been approved as a backfill position whilst the previous Centre Manager is abstracted elsewhere. This backfill role is on a fixed term appointment for 18 months. We cannot forecast making the position permanent until after June 2024, due to the number of other back-fill roles currently being undertaken by current members of Coroner's staff who themselves are stepping up into roles on a temporary, promotional basis. However, notwithstanding that CO role becoming permanent or not, we are looking, longer-term at a personnel plan to increase our establishment from 5 COs to 6 FTE.

Outcomes and Priorities for the year

Fire and Rescue Service

Our commissioning intentions for 2024/25 are to:

- Deliver the 'Strategic Priorities' and 'Strategic Intentions' set out in the GFRS Strategy and suite of 'Delivery Plans'.
- Deliver of the Gloucestershire Fire and Rescue Service Community Risk Management Plan (CRMP) 2022 – 2025 to reduce the risk of fire and other emergencies within the county.
- Respond to the outcomes of the HMICFRS report.
- Ensure the safety and wellbeing of our staff and the communities we serve by embedding the Fire Professional Standards

Specific planned activities for 2024/25 include:

- Continued implementation of the Cultural Change Plan
- Continued implementation of National Operational Guidance
- Delivery of the Emergency Service Network Programme
- Severn Park Training Centre Review
- Front line Appliance procurement
- Procurement and roll-out of specialist PPE
- Continued fleet review including Incident command Unit Aerial Appliance and Light Fleet
- Predictive analysis and modelling implementation
- Power BI data improvements
- Development of a Collaboration Framework

Trading Standards Service

Intended activities for 2024/25 include the following, as mentioned above, EQIA features in planning the work.

- Delivery of official food controls in line with statutory responsibilities.
- Delivery of official feed controls in line with statutory responsibilities.
- Delivery against strategic priorities, supporting consumers and business.
- Staff development and succession planning.
- Map source of demand on service to better understand who accesses it and to inform service delivery to avoid bias.
- Continuing to develop partnership working.

Coroners Service

Continuing Priorities

- To conduct Coronal investigations and inquest cases from opening to conclusion in 22 weeks. This is measured by a return to the Ministry of Justice. NB., cases are becoming increasingly complex, due to changes to case law, Chief Coroner guidance and the increased involvement of multiple agencies. This is having a knock-on effect leading to increased cases waiting for longer periods to come to an investigative or inquest conclusion and thus increasing the workload on individual coroner officers.
- The taking of accurate, comprehensive death referrals for consideration by the Senior Coroner for Gloucestershire. c.2500+ deceased referred p.a. and the timely and complete c.500+ investigations and inquests held each year. This is measured by an annual return required by the Ministry of Justice by end of February each year.
- The undertaking of c.800+autopsy examinations each year to help establish the cause of death – Return to MoJ by end of February each year.
- To deliver the number of autopsies with the number of mortuary staff we have within a 7-working day target.
- The safe and legal receipt and release of deceased persons to nominated Funeral Directors in accordance with HTA licence and the legal seizure and retention of samples and whole organs – measured by constant audit and monitoring ready for inspection at any given date.

The hearing of formal Coronial Inquest hearings in a formal Court room setting -
Annual return required by MoJ by end of February each year.

Directorate**Corporate Resources****Context and Strategic Direction**

Corporate Resources exists to support the smooth running and good governance of the Council as a whole, and the delivery of its strategic objectives. Although some of our teams interact with and provide services direct to local residents and communities (e.g. Archives, Request Management, Complaints), our customers are mainly internal, but also include other local public sector partners including schools, Health and Police.

The financial and strategic context in which the Council and its partners operate means that we are constantly looking for ways to meet the needs of a growing population and to improve service performance and outcomes against a backdrop of constrained resources. Although the Council's overall budget is growing, the demands placed upon it means that we constantly have to look for opportunities to develop, improve and streamline the way we work. Corporate Resources are at the heart of co-ordinating and enabling that activity, as well as having a role in helping the Council's leadership to develop, set and oversee our strategic direction.

The main factors driving our strategic direction are:

- The changing needs and expectations of local residents and communities. These are discussed in more detail in the following section, but Corporate Resources plays an important role both in helping services to understand and analyse the impact of those changes on the needs of local communities, and to develop plans that respond to the changing needs.
- Delivering Sustainable Economic Growth. The Council plays an important role in planning strategic infrastructure and delivering major schemes and projects that enable and support the growth of housing and jobs across the county. Our teams support this activity in a number of ways – through financial planning, providing data and analysis to predict and plan for the effect of that growth, providing legal support to facilitate infrastructure projects and creating opportunities through use of our own estate.
- The opportunities presented by the rapid development of digital technologies and how we can use those technologies to drive better outcomes, greater efficiency, easier interaction and more resilience for residents and services. It also introduces the Council to new and ever-changing risks in relation to cyber-security that need to be understood, mitigated, and managed.

- Climate change, particularly in relation to the Council's estate and the way we use it in order to reduce our carbon footprint.
- Increasing regulation and oversight of Councils and specific services. Over the coming year we will see an inspection regime introduced for Adult Social Care, in addition to the various frameworks that already exist for Children's Services and Fire and Rescue. We are also seeing a strengthening of the Best Value regime by the Department for Levelling Up, Housing and Communities with the introduction of OFLOG. A significant part of Corporate Resources' role is in supporting improvement and transformation across Council services, much of it in preparation for or response to regulatory frameworks.
- An increasingly challenging and uncertain financial context. Although GCC's finances continue to be robust and well managed, the overall financial context in which local government operates is likely to change dramatically in the coming years as changes to business rate and funding formulas are introduced. This this is not an immediate challenge for this Council but with more councils facing serious financial challenges, we need to ensure we make the right decisions now to secure the Council's longer term financial sustainability.
- New legislation affecting local government. The Public Procurement Bill is expected to introduce significant changes to the way the Council procures goods and services, including additional requirements around transparency and reporting. New statutory guidance under the Modern Slavery Act will need to be incorporated in the way we identify, support and refer potential victims. Martyn's Law will have implications for the Council's estate that will need to be incorporated into our plans. An anticipated Data Protection & Digital Information Bill will bring about some minor changes particularly in the areas of research and Artificial Intelligence.

Needs Analysis

The key trends affecting need and demand for Council Services increasingly impact the support services require from Corporate Resources. The key trends are identified as:

Growing numbers of vulnerable children needing the Council's support

Impacts for Corporate Resource teams include:

- Assisting to attract, train and retain social workers.
- Supporting the procurement of packages of care and helping the Council to secure the placements needed at an affordable price.
- Providing data and analysis to predict and model demand and support performance improvement.
- Supporting an increasing number of children going through legal proceedings and pre-proceedings
- Increased demand on complaints and request management processes
- Predicting the need for school places, in particular, children with Special Educational and Mental Health needs, and working with partners to provide an adequate supply, including a number of significant school building projects in the pipeline.

An ageing population with increasingly complex care needs

This means a bigger role for Corporate Resources support services in:

- Predicting and modelling the impact of population growth on demand for local services and infrastructure
- Assisting to secure sufficient funding to meet the future needs of the population.
- Reshaping the provider markets for both domiciliary and residential care and supporting the sustainability of those markets whilst, at the same time, ensuring that the Council can secure care at an affordable price.
- Making better use of data to improve population health and target preventative services.
- Developing the Council's estate to better respond to those changing needs and making sure that, where we provide direct care to vulnerable adults, we do so from properties that are able to meet their needs.

Challenges in recruiting to key posts

Corporate Resources has the lead role in Workforce Planning for the Council. One of the major challenges facing GCC, like many councils, is the ability to recruit and retain skilled staff, particularly in certain key roles.

Equalities Response

Given the nature of Corporate Resources role, the main equalities issues for which we are responsible are in relation to the Council's workforce.

The gender distribution council wide remains consistent with previous years. The gender split between male and female headcount remains approximately 70% female and 30% male, which matches data from the 2021 and 2020 reporting. There is a continuing trend in 2022 with an increasing number of women when compared to previous years occupying full-time posts within the council.

The age profile of the council has remained consistent with minimal changes across all age groups. The biggest age group remains 46-55 (29.49% of the workforce). Gloucestershire County Council, like many Local Authorities across the UK, continues to have an older workforce, reflecting the demographic of the population, and the national workforce trend.

The percentage of staff who have disclosed their data for equalities groups has decreased this year in some areas. Data completeness remains a challenge to enable better analysis and insight to support equality priorities/plans. This is particularly true for the Disability, Ethnicity, Sexual Orientation, Marriage & Civil Partnership and Religion/Belief protected characteristics. The council is actively working on ways we can encourage new starters to share their personal data and close any data gaps. With the introduction of a new recruitment system (Success Factors), we have developed the identifiers that applicants can use to tell us about their personal data and are continuing to review/develop the reporting functionality within the new system to allow reporting at each stage of the recruitment process.

6.78% of the council's workforce are from a Black, Asian or Minority Ethnic (BME) background. In comparison the estimated BME population in Gloucestershire is 4.70% (source: 2011 census data).

In total 34.64% of the total workforce accessed at least one formal training event or e-learning course (recorded on SAP or Learn Pro) during the 12 months period, an increase compared to 28.49% last year. Overall, the figures do not indicate a lack of access to training for any protected group.

Voluntary turnover increased to 11.5% compared to 8.8% last year, with 90.35% of all leavers leaving for voluntary reasons, either resigning or retiring. This is similar to last year 90.31% (2021) an increase compared to 88.07% (2020) and reflects the slowdown in significant organisational change that effects workforce numbers. 508 individuals left Gloucestershire County Council between 1st February 2021 and 31st January 2022.

57 employees were subject to formal procedure action by the council during the past 12 months, which is the same figure as last year. Of the 57 employees, 42 (74%) remain employed with the council as at the 1st February 2022; 8 individuals (14%) left the council voluntarily, and 7 individuals (12%) were dismissed due to gross misconduct.

Taking all of that into account, our main equalities priorities for our workforce are to

- To develop a culture that values, prizes and cultivates diversity.
- To equip those staff who are planning, commissioning or delivering services to consider EDI at the outset of thinking and planning so that services are designed to meet the diverse needs of our populations.
- To increase the diversity of our workforce and ensure that all our staff regardless of protected characteristic feel that the council is a place where they are included and respected, where they can do their best and develop in line with their potential.
- Develop a culture where staff can speak up when they see or experience behaviour that does not align with our values and that they have confidence that the appropriate action will be taken.

Resources

Corporate Resources 2024/25 net revenue budget is £51.140 million which is a net increase of £5.653 million. The increase includes 23/24 pay award top up, and 24/25 pay award which is yet to be confirmed. Investment excluding pay award totals £4.061 million.

- Investment of £4.061 million in:
 - £1.609 million IT upgrades
 - £1.727 million staffing & recruitment
 - £425k 3rd Party Fees
 - £300k of prices inflation
- Savings of £111k from:
 - £105k Income generation - 3% increase to income budgets.
 - £6k Audit, Risk & Assurance (ARA) – Travel and academies income budgets

Capital Funding

Corporate Resources support the smooth running and good governance of the Council as a whole, and the delivery of its strategic objectives, in support of this new capital schemes, totalling £5.898 million include:

- £1.025 million for Asset Management & Property Services, large building maintenance projects
- £300k for Corporate Properties – Rain Garden Installation
- £800k for Asset Management & Property Services, Area Based Review
- £2.646 million for WAN/LAN connection upgrades
- £695k for IT Data Centre, server & storage replacements
- £432k for IT Server on supported database & operating systems

Technical and Countywide 2024/25 net revenue budget is £32.176 million which is a net increase of £0.509 million.

- Investment of £3.675 million in:
 - £2.065 million of Pay Contingency to allow for 4.0% in 2024/25
 - -£862k Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%)
 - £1.851 million additional Minimum Revenue Provision (MRP) to fund the capital programme.
 - £344k External Interest charge to fund the capital programme.
 - £57k of pay inflation 3%
 - £220k Increase in insurance premiums.
- Savings of £3.166 million from:
 - £2.6 million Increase in interest credits
 - £407k LGPS savings generated from reductions in employers' contribution rates agreed with actuaries following Tri-annual valuation.
 - £156k One Programme Savings
 - £3k Members ICT

Outcomes and Priorities for the year

Customer experience (Council Strategy priority):

Corporate Resources will continue to work with colleagues across those Directorates that have high levels of interaction with residents and service users to ensure it is as easy as possible for all customers to contact the Council, with staff continually resolving requests and questions quickly, fairly, and efficiently. The current focus on reviewing our customer pathways, advancing our technology, implementing new training resources, and improving customer feedback routes, will assist to implement an approach that provides customers with a consistent experience and enables improved performance monitoring.

ICT and cyber security: To continue the considerable process we have made on modernising the Council's ICT, Corporate Resources will:

- Complete the roll-out of Sharepoint to all teams and functions across the Council and continue the migration of historic data into the M365 environment.
- Continue to use the Microsoft 365 suite of technology to drive efficiency and support collaboration between teams.
- Continue to develop the digital skills of our workforce.
- Continue to improve our security posture and the resilience of our estate against cyber attack.
- Increase our use of software as a service and reduce our reliance upon on-premise data centres by migrating more of our core software to the cloud.
- Begin implementation of a new, wider, more outward facing digital strategy

Equalities, diversity and inclusion: Lead delivery of the next stage of the Council's Equality Action Plan, built around the following Equality Objectives:

- Improve the quality and consistency of the data we collect on service user and workforce equality characteristics.
- Strengthen leadership, oversight and governance of Equalities, Diversity and Inclusion across the Council
- Embed equality, diversity and inclusion within GCC's culture and ways of working.
- Develop an infrastructure that enables GCC to hear from communities and engage effectively with them.

We will also continue leading our organisation-wide approach to preventing harassment, abuse, and violence against women, both within the organisation and in the wider community, as part of our commitment to White Ribbon UK.

One Programme implementation: We will complete the implementation and adoption of the Council's new Enterprise Resource Planning (ERP) system across all areas of the Council in order to ensure it:

- Provides one source of real-time Council data, across Payroll, HR, Finance, Procurement and Shopping.
- Makes it easy and fast to report by giving access to a range of dashboards.
- Supports effective decision making.
- Improves the user experience.
- Simplifies processes and adopts a standard way of operating – reducing cost and improving efficiency.

- Provides convenient system access at any time, via any device, to support agile working.
- Strengthens financial controls.

Business Intelligence:

We will develop and launch new Information and Data Strategies. We will continue to expand the range of analytical tools available to commissioners and service managers through Power BI, prioritising the following areas:

- Gloucestershire Fire and Rescue Service.
- Joint Strategic Needs Assessment
- Continuing to expand and develop data supporting Adult Social Care

The next phase will see us develop our internal capacity and capability to build data models and develop dashboards, reducing our reliance on external support and allowing us to become more self-sufficient.

Continuing to get the most out of the Council's Estate

We will review and refresh the Corporate Asset Management Plan in order to continue to ensure that the Council takes a strategic approach based on its strategic priorities, and the needs of its services. This will include maximising opportunities to share space in order to facilitate service integration (including with partners), generating capital receipts where appropriate and reducing the council's carbon footprint.

Continuous Improvement and Good Governance

We will produce and deliver an action plan in response to the recommendations arising from our Corporate Peer Review in November 2023.

Workforce Recruitment, Retention and Wellbeing

Whilst significant focus on recruitment over the last year has resulted in some success, the wider recruitment market continues to be a challenge, particularly attracting some of our hard to fill, professional roles.

Commitments for the next year include:

- We are continuing to develop the Council's employer brand to build a profile and reputation that is proven to attract and influence candidates with a particular focus on incorporating representation from under-represented employee groups within the council. A consistent, positive message, supported by personal stories, will highlight the benefits of working within the Council. The newly modernised recruitment website will align with the branding, along with an increased profile in the recruitment market and across social media.
- To encourage higher staff retention rates, there will continue to be an increased focus on developing the workforce, including growing our own professionals and use of apprenticeships at all levels for career development. A wider package of upskilling training is being developed and will be offered to further support employee engagement and retention.

- There will be increased focus on the development and delivery of a workforce planning model and process to enable a more planned and strategic approach to our workforce.
- Continuing to develop, refine and target our support for workforce wellbeing, recognising that gaps in capacity can put teams under additional pressure. Our plans will be informed by the results of our annual staff survey and engagement with Employee Networks and Employee Voice Groups. We will also continue to equip managers with tools, support and training to help them to prioritise effectively and support the wellbeing of their teams.

Annex 2 – Budget Movements by Service Area

Medium Term Financial Strategy – 2024/25 Budget – Overall Summary

| Budget Area | Approved 2023/24 Budget | Removal of 2023/24 One Off Budget Adjustments | Agreed Budget Transfers between Service Areas | MTFS 2023/24 Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | Cash Increase / Decrease | Percentage Increase / Decrease |
|--------------------------------------------|-------------------------------|--------------------------------------------------------|-----------------------------------------------------------|--------------------------------|------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|--------------------------------|--------------------------------------|
| | £'000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | % |
| Programme Budget Areas | | | | | | | | | | | |
| Adults | 183,851 | 302 | -29 | 184,124 | 2,678 | 20,512 | -704 | 0 | 206,610 | 22,759 | 12.38% |
| Vulnerable Children | 130,106 | -2,126 | -3,880 | 124,100 | 2,585 | 22,874 | -2,129 | -1,001 | 146,429 | 16,323 | 12.55% |
| Other Children Services | 26,887 | -196 | 3,965 | 30,656 | 569 | 5,223 | -1,614 | 0 | 34,834 | 7,947 | 29.56% |
| Economy, Environment and Infrastructure | 92,832 | -1,701 | -104 | 91,027 | 1,202 | 9,194 | -15,241 | -3,343 | 82,839 | -9,993 | -10.76% |
| Community Safety | 23,327 | -1,348 | -560 | 21,419 | 1,031 | 3,348 | -64 | 0 | 25,734 | 2,407 | 10.32% |
| Public Health & Communities | 36,454 | -75 | 0 | 36,379 | 123 | 764 | 0 | -157 | 37,109 | 655 | 1.80% |
| Corporate Resources | 44,488 | -1,030 | 2,029 | 45,487 | 1,703 | 4,061 | -111 | 0 | 51,140 | 6,652 | 12.66% |
| Technical & Countywide | 29,188 | 3,900 | -1,421 | 31,667 | 1,260 | 2,415 | -3,166 | 0 | 32,176 | 2,988 | 10.24% |
| Total Budget | 567,133 | -2,274 | - | 564,859 | 11,151 | 68,391 | -23,029 | -4,501 | 616,871 | 49,738 | 8.77% |

2024/25 Adults Budget

| | Cost Increases | Cost Reductions and Additional Income | |
|----------------------------------------------------|---------------------------|------------------------------------------------------|----------------|
| | £000 | £000 | £000 |
| Approved MTFS 2023/24 Budget | | | 183,851 |
| Removal of 2023/24 One Off Budget Increases | | | 302 |
| Agreed Service Budget Transfers | | - | 29 |
| Starting Budget (2023/24 Revised Budget) | | | 184,124 |

Budget Changes:**Cost Increases**

| | |
|----------------------------------------------------------------------------------------|-------|
| Pay Inflation 24/25 (3%) | 1,556 |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 1,122 |
| Demographic Growth - Older People | 1,948 |
| Demographic Growth - Physical Disabilities | 143 |
| Demographic Growth - Mental Health | 409 |
| Demographic Growth - Learning Disabilities | 1,284 |
| Demographic Growth - In-House Services | 419 |
| Bed Based & Community Based Inflationary (including NLW) | 9,309 |
| Activities to improve Market Sustainability and Workforce, including intermediate Care | 5,128 |
| Activities to improve Hospital Discharge | 1,872 |

Income Targets

| | |
|-------------------|------|
| Income Targets 3% | -704 |
|-------------------|------|

| | | | |
|--------------------------------------------------------|---------------|-------------|---------------|
| PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME | 23,190 | -704 | 22,486 |
|--------------------------------------------------------|---------------|-------------|---------------|

Use of Reserves

| | |
|------------------------------|----------------|
| 2024/25 Adults Budget | 206,610 |
|------------------------------|----------------|

2024/25 Children and Families Budget - Vulnerable Children

| | Cost Increases | Cost Reductions and Additional Income | |
|--------------------------------------------|-------------------|---------------------------------------------|----------------|
| | £000 | £000 | £000 |
| <u>Budget Changes:</u> | | | |
| Approved MTFS 2023/24 Budget | | | 130,106 |
| Removal of 2023/24 One Off Budget Increase | | | -2,126 |
| Agreed Service Budget Transfers | | | -3,880 |
| Starting Budget (2023/24 Revised Budget) | | | <u>124,100</u> |

Cost Increases

| | |
|------------------------------------------------------------------------------------------------------------|-------|
| Pay Inflation 24/25 (3%) | 1,564 |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 1,021 |
| Fostering/Adoption/SGO & Child Arrangement Allowances - Inflation uplift | 1,177 |
| Special guardianship orders - Increased Numbers | 358 |
| Increase in the Adoption West Contract | 104 |
| Contract inflation against External Placement budget | 2,888 |
| Implementation of the Systemic Practice model | 188 |
| Increase in children's social work posts based on caseload, includes disability services and admin support | 614 |
| Disabled Children & Young People (DCYP) Uplift in Direct Payments | 111 |
| Placement and allowances budget - to meet additional activity and higher unit costs | 9,838 |
| Children's social worker agency costs | 700 |
| High Cost Disabled Children and Young People packages | 1,471 |
| Family Centre/Youth Contract uplifts | 486 |
| PAUSE - to support parents to care for their children reducing the number of children in care | 214 |
| TACS - Turnaround children's team additional capacity | 170 |
| Commissioning Staff to support capital and commissioning developments | 455 |
| Short Breaks contracts increasing availability across the County | 273 |
| Children Centre building maintenance to cover additional centres and higher costs | 361 |
| Permanent funding for unaccompanied asylum seeker young people | 2,500 |

| 2024/25 Children and Families Budget - Vulnerable Children Continued | Cost Increases | Cost Reductions and Additional Income | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------|----------------|
| | £000 | £000 | £000 |
| One Off Cost Increases | | | |
| One-off funding for unaccompanied asylum seeker young people | 787 | | |
| Youth Fund | 159 | | |
| Work up the governance arrangements and criteria for a scheme to allow foster carers to make improvements to their home to take extra children | 20 | | |
| <u>Cost Reductions</u> | | | |
| Through social care interventions reduce the number of Children in Care to meet statistical neighbours average of 57 CiC per 10k pop'n by March 2026 leading to lower placement costs and reduce the need for residential placements by 5 per year | | -2,127 | |
| <u>Income Targets</u> | | | |
| Income Targets 3% | | -2 | |
| PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME | 25,459 | -2,129 | 23,330 |
| <u>Use of Reserves</u> | | | |
| General Reserve used to fund the Unaccompanied Asylum Seeker Young People pressure | | -787 | |
| COMF used to fund PAUSE - to support parents to care for their children reducing the number of children in care | | -214 | |
| | 0 | -1,001 | -1,001 |
| Children & Families - Vulnerable Children Budget 2024/25 | | | 146,429 |

2024/25 Children and Families Budget - Other Children Services

| | Cost Increases £000 | Cost Reductions and Additional Income £000 | £000 |
|--------------------------------------------|---------------------------|-----------------------------------------------------|---------------|
| Approved MTFS 2023/24 Budget | | | 26,887 |
| Removal of 2023/24 One Off Budget Increase | | | -196 |
| Agreed Service Budget Transfers | | | 3,965 |
| Starting Budget (2023/24 Revised Budget) | | | <u>30,656</u> |

Budget Changes:

Cost Increases

| | |
|----------------------------------------------------------------------------------------------------------|-------|
| Pay Inflation 24/25 (3%) | 401 |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 168 |
| Home to school transport contractual inflation | 560 |
| Home to school transport - growth needed to cover expected increase in the number of SEN routes required | 1,840 |
| Additional statutory SEND services to meet increasing demands for special educational needs support | 2,134 |
| Post16 statutory obligations and tackling NEET. | 623 |
| Education safeguarding additional post | 66 |

Cost Reductions

| | |
|----------------------------------------------------------------------------------------------------------------------------------------|--------|
| Education Pensions: Reduce the budget based on an assessment of the reduction in no. of pensioners and spouses based on age and trends | -200 |
| Home to School transport route efficiencies while meeting statutory requirements for service provision | -1,409 |

Income Targets

| | |
|-------------------|----|
| Income Targets 3% | -5 |
|-------------------|----|

| | | | |
|--------------------------------------------------------|--------------|---------------|--------------|
| PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME | 5,792 | -1,614 | 4,178 |
|--------------------------------------------------------|--------------|---------------|--------------|

Use of Reserves

| | |
|----------------------------------------------------------------|---------------|
| Children & Families - Other Services Budget 2024/25 | 34,834 |
|----------------------------------------------------------------|---------------|

* This budget excludes the ringfenced Dedicated Schools Grant (DSG).

2024/25 Economy, Environment and Infrastructure Budget

| | Cost Increases | Cost Reductions and Additional Income | |
|--------------------------------------------|-------------------|---------------------------------------------|---------------|
| | £000 | £000 | £000 |
| Approved MTFS 2023/24 Budget | | | 92,832 |
| Removal of 2023/24 One Off Budget Increase | | | -1,701 |
| Agreed Service Budget Transfers | | | -104 |
| Starting Budget (2023/24 Revised Budget) | | | <u>91,027</u> |

Budget Changes:

Cost Increases

| | |
|----------------------------------------------------------------------|-------|
| Pay Inflation 24/25 (3%) | 762 |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 440 |
| NLW Inflation (Providers) | 4 |
| Contract Inflation | 1,437 |
| Arle Court Transport Hub - rates & maintenance | 150 |
| Employee and Skills core staff | 250 |
| Planning graduate Local Government Association scheme x 2 | 60 |
| Annual maintenance package - cycle spine | 75 |
| Replacing large directional signs and posts on A-roads | 40 |
| Securing a patching solution for circa 6 months each year | 310 |
| A417 Missing Link - Legal & consultant costs as Planning authority | 125 |
| Environmental maintenance - 2nd full cut of network each year | 150 |
| Planning Enforcement Service - Staff increase | 60 |
| Definitive Map Modification Orders, Highway Records - Staff increase | 50 |
| Central Fleet Unit - Staff increase | 60 |
| Libraries - Staff increase | 85 |

One Off Cost Increases

| | |
|------------------------------------------------------------|-------|
| Integrated Transport Unit extraordinary contract inflation | 312 |
| Corporate Fleet Unit - Fuel extraordinary inflation | 129 |
| Local Transport Plan consultancy support | 100 |
| Street lighting - extraordinary inflation | 1,000 |
| Mastergov software | 133 |
| Cycle Spine Development Fund | 275 |
| Ash Die Back | 750 |

| 2024/25 Economy, Environment and Infrastructure Budget Continued | Cost Increases | Cost Reductions and Additional Income | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------|---------------|
| | £000 | £000 | £000 |
| M5 J10 - DCO - Host Authority support | 380 | | |
| Strategic Infrastructure Needs Assessment | 125 | | |
| Part time fleet admin - 3 years | 25 | | |
| Highways & Transport Transformation Fund | 300 | | |
| Winter treatment of cycle routes | 60 | | |
| Community Speedwatch | 200 | | |
| Energy for Waste - Increase to insurance costs | 697 | | |
| Traveller Services Site Repairs and Maintenance | 45 | | |
| Adult Education pay inflation | 102 | | |
| Mass Rapid Transit | 500 | | |
| M5 J12 Stroud Local Plan | 100 | | |
| A417 Maisemore - Flood Alleviation - Business Case Development | 114 | | |
| Community Libraries Uplift | 16 | | |
| Free bus travel for veterans | 100 | | |
| Keeping children safe on our roads | 100 | | |
| Increase funding of PROW | 25 | | |
| Additional money for road safety focused on driver education concentrating on issues around highest numbers of KS1's | 100 | | |
| Provision of assistance and advice for residents who have been affected by flooding to help them access support via the Property Flood Resilience repair grant scheme | 150 | | |
| Pothole Buster Fund | 500 | | |
| <u>One Off Income</u> | | | |
| Energy from Waste additional income due to higher electricity sale prices | | -15,087 | |
| <u>Income Targets</u> | | | |
| Income Targets 3% | | -154 | |
| PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME | 10,396 | -15,241 | -4,845 |
| <u>Use of Reserves</u> | | | |
| Waste Reserve - £697k Energy from waste - Increase to insurance costs | | -697 | |
| General Reserve - £500k Pothole Buster Fund, £200k Community speedwatch, £312k Integrated Transport Unit extraordinary contract inflation, £129k Corporate Fleet Unit - Fuel extraordinary inflation, £117k Flooding Education and advice and £500k Mass Rapid Transit | | -1,758 | |
| Economy, Environment & Infrastructure Reserve - £100k Local Transport Plan Consultancy support, £133k Mastergov Software, £275k Cycle Spine Development Fund and £380k M5 J10 – Host Authority support. | | -888 | |
| | 0 | -3,343 | -3,343 |
| Economy, Environment and Infrastructure Budget 2024/25 | | | 82,839 |

2024/25 Community Safety

| | Cost Increases £000 | Cost Reductions and Additional Income £000 | £000 |
|---------------------------------------------------|------------------------------------|-------------------------------------------------------------------|---------------|
| Approved MTFS 2023/24 Budget | | | 23,327 |
| Removal of 2023/24 One Off Budget Increase | | - | 1,348 |
| Agreed Service Budget Transfers | | | -560 |
| Starting Budget (2023/24 Revised Budget) | | | 21,419 |

Budget Changes:**Cost Increases**

| | |
|------------------------------------------------------------------|-------|
| Pay Inflation 24/25 (3%) | 671 |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 360 |
| Contract inflation | 40 |
| Emergency Services radio scheme costs (Airwave) | 259 |
| HMICFRS Improvement Plan - staffing | 813 |
| Risk critical operational training | 25 |
| Increase in Fire safety staffing (Fire Safety Advisors x 3) | 108 |
| Logistics and Resources staff increase (L&R Manager) | 65 |
| Business Planning & Improvement staffing | 36 |
| Control room staff increase | 100 |
| Increase in operational equipment costs | 73 |
| Fire pension scheme employer superannuation increases | 1,093 |

One Off Cost Increases

| | |
|-------------------------------------------------------------------------------------------------------------|-----|
| HMICFRS Improvement Plan - staffing | 164 |
| Upgrade business critical software in line with GCC ICT policy. To ensure software is supported by provider | 172 |
| Risk critical operational training | 150 |
| On-Call Training | 250 |

Cost Reductions

| | |
|--------------------------|-----|
| Review of post within HQ | -56 |
|--------------------------|-----|

Income Targets

| | |
|-------------------|----|
| Income Targets 3% | -8 |
|-------------------|----|

PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME

| | | |
|--------------|------------|--------------|
| 4,379 | -64 | 4,315 |
|--------------|------------|--------------|

Use of Reserves

| | |
|----------------------------------------|---------------|
| Community Safety Budget 2024/25 | 25,734 |
|----------------------------------------|---------------|

2024/25 Public Health & Communities

| | Cost Increases £000 | Cost Reductions and Additional Income £000 | £000 |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------|---------------|
| Approved MTFS 2023/24 Budget | | | 36,454 |
| Removal of 2023/24 One Off Budget Increase | | | -75 |
| Agreed Service Budget Transfers | | | 0 |
| Starting Budget (2023/24 Revised Budget) | | | 36,379 |
| <u>Budget Changes:</u> | | | |
| <u>Cost Increases</u> | | | |
| Pay Inflation 24/25 (3%) | 76 | | |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 47 | | |
| Agenda for Change costs - Sexual Health and Public Health Nursing and Health Visiting | 456 | | |
| Contract Inflation - PH services- Mental Health Contracts | 5 | | |
| Existing budget shortfall against Agenda for Change pay recurring commitments in 2023/24, over and above base budget | 283 | | |
| Contract Inflation - Community Based Support & Domestic Abuse | 20 | | |
| <u>Income Targets</u> | | | |
| Income Targets 3% | | 0 | |
| PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME | 887 | 0 | 887 |
| <u>Use of Reserves</u> | | | |
| Public Health reserve commitment, to offset Agenda for Change pressures 2023/24 | | -157 | |
| | 0 | -157 | -157 |
| Public Health & Communities Budget 2024/25 | | | 37,109 |

2024/25 Corporate Resources Budget

| | Cost Increases | Cost Reductions and Additional Income | |
|---------------------------------------------------|---------------------------|------------------------------------------------------|---------------|
| | £000 | £000 | £000 |
| Approved MTFS 2023/24 Budget | | | 44,488 |
| Removal of 2023/24 One Off Budget Increase | | | -1,030 |
| Agreed Service Budget Transfers | | | 2,029 |
| Starting Budget (2023/24 Revised Budget) | | | 45,487 |

Budget Changes:**Cost Increases**

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Pay Inflation 24/25 (3%) | 1,107 |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 596 |
| Planning, Performance & Insight (PPI) - Additional Data Analyst and Performance Officer to support GFRS. | 98 |
| Planning, Performance & Insight (PPI) - Data Engineer to lead delivery of data analytics improvements and develop in-house capability | 70 |
| Information Management Service (IMS) - Make permanent the temporarily increased capacity for request management | 200 |
| Legal Services - Specialist external legal support where required to support complex legal cases involving children, public inquiries and planning matters. | 425 |
| Strategic Procurement - Additional employee budget to provide increased capacity for high value procurements / implementation of the Procurement Act 2023 | 100 |
| Strategic Procurement Support - to strengthen the procurement function by ensuring greater control of expenditure by reducing off contract spend, improving financial controls and improving VFM | 201 |
| ICT - Microsoft licencing and service support costs | 550 |
| ICT - Software as a Service Subscription to support education service | 135 |
| ICT - Ongoing support costs for hosting Liquidlogic, social care system for adults and children's | 115 |
| ICT - Licencing for M365 Backup Solution (£56k) | 56 |
| HR - Secure permanent staffing for temporary posts in the recruitment team to deliver recruitment priorities - matches to one off bid in 24/25 £212k R300 | 262 |
| HR - Increased capacity to support delivery of Equality Objectives / statutory duties under Equality Act | 75 |
| Asset Management & Property Services (AMPS) - Increased Utility Fees To meet the inflationary increase in utility costs for 2024/25, these have seen above inflationary increase for this year. This pressure includes Gas, Electricity, and Water. | 300 |

| | Cost Increases | Cost Reductions and Additional Income | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------|---------------|
| | £000 | £000 | £000 |
| 2024/25 Corporate Resources Budget Continued | | | |
| Financial Management - Head of Financial management | 86 | | |
| Financial Management - 2 Graduate finance trainees to provide resilience/succession planning | 50 | | |
| One Programme - SAP ERP | 156 | | |
| The Council is replacing its current on-premise SAP ERP system with a new cloud hosted ERP solution. The on-going annual revenue cost of the Software as a Service solution will be managed mainly within existing resources but will require additional expenditure of £156k. There is a matching savings target within Technical and Countywide covering efficiencies / savings generated from new ERP system. | | | |
| One Off Cost Increases | | | |
| Planning, Performance & Insight (PPI) - Continuing of fixed term funding for Data Analyst to support Adults transformation programme. | 86 | | |
| Planning, Performance & Insight (PPI) - Continuing of fixed term funding for Data Analyst to support GFRS transformation programme. | 48 | | |
| Information Management Service (IMS) - Licencing for Varonis software and managed service provider to support migration of data to M365 | 222 | | |
| Information Management Service (IMS) - Short-term continuation of increased capacity for request management to complete clearing of backlog of cases | 50 | | |
| Legal Services - Additional cost of filling posts with locums in Corporate & Adults Litigation Legal teams | 401 | | |
| ICT - Education software hosting migration to Cloud | 375 | | |
| Cost Reductions | | | |
| Audit Risk Assurance (ARA) - Reduction in travel budget | | -6 | |
| Income Targets | | | |
| Income Targets 3% | | -105 | |
| PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME | 5,764 | -111 | 5,653 |
| Use of Reserves | | | - |
| Corporate Resources Budget 2024/25 | | | 51,140 |

2024/25 Technical and Countywide Budget

| | Cost Increases | Cost Reductions and Additional Income | |
|---------------------------------------------------|---------------------------|------------------------------------------------------|---------------|
| | £000 | £000 | £000 |
| Approved MTFS 2023/24 Budget | | | 29,188 |
| Removal of 2023/24 One Off Budget Increase | | | 3,900 |
| Agreed Service Budget Transfers | | | -1,421 |
| Starting Budget (2023/24 Revised Budget) | | | 31,667 |

Budget Changes:**Cost Increases**

| | |
|--------------------------------------------------------------------------|-------|
| Pay Inflation 24/25 (3%) | 57 |
| Back Pay 23/24 Pressure (an additional 1.94% to allow for 5.94%) | 40 |
| Release of 0.50% pay award contingency to directorates | -902 |
| Additional Minimum Revenue Provision (MRP) to fund the Capital Programme | 1,851 |
| External Borrowing to fund the Capital Programme | 344 |
| Central Pay and Prices Contingency | 2,065 |
| Increased insurance premiums | 220 |

Cost Reductions

| | |
|-----------------------------------------------------------------------------------------------------------------------------|--------|
| LGPS savings generated from reductions in employers contribution rates agreed with actuaries following Tri-annual valuation | -407 |
| Members ICT | -3 |
| One Programme - Replacement SAP ERP - Efficiencies | -156 |
| Increase in Interest Credits due to increased in interest rates | -2,600 |

PROPOSED REVENUE PRESSURES, SAVINGS, AND INCOME

| | | |
|--------------|---------------|------------|
| 3,675 | -3,166 | 509 |
|--------------|---------------|------------|

Use of Reserves

-

Technical and Countywide Budget 2024/25

| |
|---------------|
| 32,176 |
|---------------|

Annex 2a – Savings by Service Area

| 2024/25 Savings and Efficiency Plan - Summary of Proposals | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Proposed Saving / Efficiency Title | 2024/25 £000 |
| <u>C&F Vulnerable Children</u> | |
| A reduction in the number of Children in Care to meet statistical neighbours average of 57 CiC per 10k pop'n by March 2026 leading to lower placement costs and to reduce residential placements by 5 per year | -2,127 |
| Total of Permanent Proposals | -2,127 |
| C&F VULNERABLE CHILDREN GRAND TOTAL | -2,127 |
| <u>C&F Other Services</u> | |
| Education Pensions: Reduce the budget based on an assessment of the reduction in no. of pensioners and spouses based on age and trends | -200 |
| Home to School transport route efficiencies | -1,409 |
| Total of Permanent Proposals | -1,609 |
| C&F OTHER SERVICES GRAND TOTAL | -1,609 |
| <u>Economy, Environment, & Infrastructure</u> | |
| Energy from Waste additional income due to higher electricity sale prices | -15,087 |
| Total of Permanent Proposals | -15,087 |
| EE&I GRAND TOTAL | -15,087 |
| <u>Community Safety</u> | |
| Review of post within HQ | -56 |
| Total of Permanent Proposals | -56 |
| COMMUNITY SAFETY GRAND TOTAL | -56 |
| <u>Corporate Resources</u> | |
| Audit (ARA) Reduction in travel budget | -6 |
| Total of Permanent Proposals | -6 |
| CORPORATE RESOURCES GRAND TOTAL | -6 |
| <u>Technical & Countywide</u> | |
| LGPS savings generated from reductions in employers contribution rates agreed with actuaries following Tri-annual valuation | -407 |
| Members ICT | -3 |
| One Programme - Replacement SAP ERP - Efficiencies | -156 |
| Increase in Interest Credits due to increased in interest rates | -2,600 |
| Total of Permanent Proposals | -3,166 |
| TECHNICAL & COUNTYWIDE GRAND TOTAL | -3,166 |
| Total Savings & Efficiency Plan 2024/25 | -22,051 |

Annex 3 – Budget Summary by Service Area

Medium Term Financial Strategy – 2024/25 Budget – Overall Summary

| | 2023/24 Employee Related Budgets | 2023/24 Other Operating Expenditure Budgets | 2023/24 Gross Expenditure Budgets | 2023/24 Income | 2023/24 Base Budget Uploaded | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed MTFS Budget 2024/25 |
|-----------------------------------------|-------------------------------------------|------------------------------------------------------|-----------------------------------------|-------------------|------------------------------------|------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Budget Area | £000 | £000 | £000 | £000 | £'000 | £'000s | £'000s | £'000s | £'000s | £'000s | £000 | £000 | £000 | £000 | £'000 |
| Adults | 50,751 | 164,677 | 215,428 | -31,304 | 184,124 | 2,678 | 20,512 | -704 | 0 | 206,610 | 53,848 | 184,770 | 238,618 | -32,008 | 206,610 |
| Vulnerable Children | 51,120 | 73,639 | 124,759 | -659 | 124,100 | 2,585 | 22,874 | -2,129 | -1,001 | 146,429 | 55,619 | 91,471 | 147,090 | -661 | 146,429 |
| Other Children Services | 12,998 | 19,206 | 32,204 | -1,548 | 30,656 | 569 | 5,223 | -1,614 | 0 | 34,834 | 15,590 | 20,797 | 36,387 | -1,553 | 34,834 |
| Economy, Environment and Infrastructure | 24,892 | 93,225 | 118,117 | -27,090 | 91,027 | 1,202 | 8,694 | -15,241 | -2,843 | 82,839 | 26,786 | 98,384 | 125,170 | -42,331 | 82,839 |
| Community Safety | 18,389 | 3,303 | 21,692 | -273 | 21,419 | 1,031 | 3,348 | -64 | 0 | 25,734 | 21,993 | 4,022 | 26,015 | -281 | 25,734 |
| Public Health & Communities | 2,485 | 34,150 | 36,635 | -256 | 36,379 | 123 | 764 | 0 | -157 | 37,109 | 2,608 | 34,757 | 37,365 | -256 | 37,109 |
| Corporate Resources | 35,751 | 18,450 | 54,201 | -8,714 | 45,487 | 1,703 | 4,061 | -111 | 0 | 51,140 | 39,028 | 20,937 | 59,965 | -8,825 | 51,140 |
| Technical and Countywide | 8,370 | 30,728 | 39,098 | -7,431 | 31,667 | 1,260 | 2,415 | -3,166 | 0 | 32,176 | 9,630 | 33,143 | 42,773 | -10,597 | 32,176 |
| Total Budget | 204,756 | 437,378 | 642,134 | -77,275 | 564,859 | 11,151 | 67,891 | -23,029 | -4,001 | 616,871 | 225,102 | 488,281 | 713,383 | -96,512 | 616,871 |

Adults MTFS 2024/25

| | 2023/24 Employee Related Budget | 2023/24 Non - Employee Expenditure Budget | 2023/24 Gross Expenditure Budget | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget |
|----------------------------------------------------|------------------------------------------|----------------------------------------------------|-------------------------------------------|-------------------|-------------------------------------------|---------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Budget Area | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 |
| Services for Older People | 19,249 | 65,376 | 84,625 | -17,471 | 67,154 | 1,316 | 10,521 | -298 | | 78,693 | 20,691 | 75,771 | 96,462 | -17,769 | 78,693 |
| Services for People with Physical Disability | 2,246 | 16,124 | 18,370 | -1,960 | 16,410 | 143 | 1,573 | -73 | | 18,053 | 2,412 | 17,674 | 20,086 | -2,033 | 18,053 |
| Services for People with a Learning Disability | 7,920 | 63,920 | 71,840 | -10,769 | 61,071 | 463 | 6,402 | -333 | | 67,603 | 8,522 | 70,183 | 78,705 | -11,102 | 67,603 |
| Services for People with Mental Health Issues | 0 | 14,075 | 14,075 | -153 | 13,922 | | 1,885 | | | 15,807 | - | 15,960 | 15,960 | -153 | 15,807 |
| Community Equipment/Telecare | 4,636 | -609 | 4,027 | 0 | 4,027 | 185 | 43 | | | 4,255 | 4,864 | 609 | 4,255 | - | 4,255 |
| Adults Safeguarding | 1,715 | 252 | 1,967 | -59 | 1,908 | 73 | 18 | | | 1,999 | 1,806 | 252 | 2,058 | -59 | 1,999 |
| Carers Services | 0 | 1,160 | 1,160 | 0 | 1,160 | | | | | 1,160 | - | 1,160 | 1,160 | - | 1,160 |
| Occupational Therapy Service | 67 | 2,408 | 2,475 | 0 | 2,475 | | 25 | | | 2,500 | 92 | 2,408 | 2,500 | - | 2,500 |
| Other Direct Services | 5,388 | 2,632 | 8,020 | -95 | 7,925 | 154 | | | | 8,079 | 5,542 | 2,632 | 8,174 | -95 | 8,079 |
| Adults Management,Commissioning & Support Services | 9,514 | -2,340 | 7,174 | -797 | 6,377 | 344 | 45 | | | 6,766 | 9,903 | 2,340 | 7,563 | -797 | 6,766 |
| Funding for Allocation | 16 | 1,679 | 1,695 | 0 | 1,695 | | | | | 1,695 | 16 | 1,679 | 1,695 | - | 1,695 |
| Total: Adults | 50,751 | 164,677 | 215,428 | -31,304 | 184,124 | 2,678 | 20,512 | -704 | 0 | 206,610 | 53,848 | 184,770 | 238,618 | -32,008 | 206,610 |

Children & Families MTFS 2024/25

| | 2023/24 Employee Related Budget | 2023/24 Non - Employee Expenditure Budget | 2023/24 Gross Expenditure Budget | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget |
|---------------------------------------|------------------------------------------|----------------------------------------------------|-------------------------------------------|-------------------|-------------------------------------------|------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Budget Area | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000's | £000's | £000's | £000's | £000's |
| Vulnerable Children | 51,120 | 73,639 | 124,759 | -659 | 124,100 | 2,585 | 22,874 | -2,129 | -1,001 | 146,429 | 55,619 | 91,471 | 147,090 | -661 | 146,429 |
| Other Children Services | 12,998 | 19,206 | 32,204 | -1,548 | 30,656 | 569 | 5,223 | -1,614 | | 34,834 | 15,590 | 20,797 | 36,387 | -1,553 | 34,834 |
| Total: Children & Families | 64,118 | 92,845 | 156,963 | -2,207 | 154,756 | 3,154 | 28,097 | - 3,743 | - 1,001 | 181,263 | 71,209 | 112,268 | 183,477 | -2,214 | 181,263 |

Economy, Environment & Infrastructure MTFS 2024/25

| | 2023/24 Employee Related Budget | 2023/24 Non - Employee Expenditure Budget | 2023/24 Gross Expenditure Budget | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget | | |
|---------------------------------------------|------------------------------------------|----------------------------------------------------|----------------------------------------|-------------------|-------------------------------------------|------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|---------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|---------|--------|
| Budget Area | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | | |
| Network,Traffic and Transport | 1,703 | 11,630 | 13,333 | -698 | 12,635 | 98 | 1,548 | - | 89 | - | 641 | 13,551 | 1,886 | 12,452 | 14,338 | -787 | 13,551 |
| Libraries & Registration Services | 6,976 | 1,088 | 8,064 | -3,422 | 4,642 | 315 | 101 | - | 16 | | 5,042 | 7,376 | 1,104 | 8,480 | -3,438 | 5,042 | |
| Highways | 9,827 | 22,045 | 31,872 | -4,931 | 26,941 | 444 | 4,871 | - | 10 | - | 775 | 31,471 | 10,271 | 26,141 | 36,412 | -4,941 | 31,471 |
| Parking | 453 | 1,797 | 2,250 | -5,001 | -2,751 | 24 | 100 | | | | -2,627 | 477 | 1,897 | 2,374 | -5,001 | -2,627 | |
| Environment and Waste | 1,110 | 53,289 | 54,399 | -12,954 | 41,445 | 46 | 381 | - | 15,123 | - | 697 | 26,052 | 1,156 | 52,973 | 54,129 | -28,077 | 26,052 |
| Strategic Infrastructure | 1,924 | 3,135 | 5,059 | -84 | 4,975 | 99 | 1,687 | - | 3 | - | 1,113 | 5,645 | 2,193 | 3,539 | 5,732 | -87 | 5,645 |
| Flood Alleviation | 343 | 385 | 728 | 0 | 728 | 16 | 150 | | - | 117 | 777 | 359 | 418 | 777 | 0 | 777 | |
| EE&I Central Costs | 2,126 | -65 | 2,061 | 0 | 2,061 | 138 | 4 | | | | 2,203 | 2,264 | -61 | 2,203 | 0 | 2,203 | |
| Adult Education | | | | | | | 102 | | | | 102 | 102 | 0 | 102 | 0 | 102 | |
| Employment & Skills Hub | 430 | -79 | 351 | 0 | 351 | 22 | 250 | | | | 623 | 702 | -79 | 623 | - | 623 | |
| Total: Economy Environment & Infrastructure | 24,892 | 93,225 | 118,117 | -27,090 | 91,027 | 1,202 | 9,194 | - | 15,241 | - | 3,343 | 82,839 | 26,786 | 98,384 | 125,170 | -42,331 | 82,839 |

Community Safety MTFS 2024/25

| | 2023/24 Employee Related Budget | 2023/24 Non - Employee Expenditure Budget | 2023/24 Gross Expenditure Budget | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget |
|--------------------------------|------------------------------------------|----------------------------------------------------|-------------------------------------------|-------------------|-------------------------------------------|---------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Budget Area | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 |
| Fire & Rescue Service | 16,450 | 2,709 | 19,159 | - 155 | 19,004 | 936 | 3,176 | -60 | | 23,056 | 19,959 | 3,256 | 23,215 | -159 | 23,056 |
| Coroners | 890 | 529 | 1,419 | - | 1,419 | 44 | | | | 1,463 | 934 | 529 | 1,463 | - | 1,463 |
| Trading Standards | 1,049 | 65 | 1,114 | - 118 | 996 | 51 | 172 | -4 | | 1,215 | 1,100 | 237 | 1,337 | -122 | 1,215 |
| Civil Protection Team | - | - | - | - | 0 | | | | | - | - | - | - | 0 | - |
| Total: Community Safety | 18,389 | 3,303 | 21,692 | -273 | 21,419 | 1,031 | 3,348 | -64 | 0 | 25,734 | 21,993 | 4,022 | 26,015 | -281 | 25,734 |

Public Health & Communities MTFS 2024/25

| Budget Area | 2023/24 Employee Related Budgets | 2023/24 Non - Employee Expenditure Budgets | 2023/24 Gross Expenditure Budgets | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget |
|---------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------|--------------------------------------------|-------------------|----------------------------------------------|---------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|
| | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 |
| Public Health - Including Ringfenced Grant (See below for Service Breakdown) | 1,943 | 25,779 | 27,722 | -100 | 27,622 | 96 | 744 | | -157 | 28,305 | 2,039 | 26,366 | 28,405 | -100 | 28,305 |
| Supporting People | - | 8,205 | 8,205 | -156 | 8,049 | | 20 | | | 8,069 | - | 8,225 | 8,225 | -156 | 8,069 |
| Other Prevention & Wellbeing Activities | 542 | 166 | 708 | - | 708 | 27 | | | | 735 | 569 | 166 | 735 | 0 | 735 |
| Total: Public Health & Communities | 2,485 | 34,150 | 36,635 | - 256 | 36,379 | 123 | 764 | 0 | - 157 | 37,109 | 2,608 | 34,757 | 37,365 | -256 | 37,109 |

Public Health - Including the Ring Fenced Grant 2024/25

| Budget Area | 2023/24 Employee Related Budgets | 2023/24 Non - Employee Expenditure Budgets | 2023/24 Gross Expenditure Budgets | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget |
|-----------------------------------------------------------|-------------------------------------------|-----------------------------------------------------|--------------------------------------------|-------------------|----------------------------------------------|---------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|
| | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 |
| Sexual Health | | 4,064 | 4,064 | | 4,064 | | -8 | | | 4,056 | - | 4,056 | 4,056 | - | 4,056 |
| Health Behaviours | | 1,902 | 1,902 | | 1,902 | | | | | 1,902 | - | 1,902 | 1,902 | - | 1,902 |
| Drugs and Alcohol | | 6,176 | 6,176 | -100 | 6,076 | | | | | 6,076 | - | 6,176 | 6,176 | -100 | 6,076 |
| Children 0-19 (incl. Health Visiting & School Nursing) | | 12,096 | 12,096 | | 12,096 | | 736 | | -157 | 12,675 | - | 12,675 | 12,675 | - | 12,675 |
| Public Mental Health | | 446 | 446 | | 446 | | 5 | | | 451 | - | 451 | 451 | - | 451 |
| NHS Health Checks | | 340 | 340 | | 340 | | | | | 340 | - | 340 | 340 | - | 340 |
| PH function incl. staffing and intelligence | 1,906 | 792 | 2,698 | | 2,698 | 96 | 11 | | | 2,805 | 2,002 | 803 | 2,805 | - | 2,805 |
| Total: Public Health | 1,906 | 25,816 | 27,722 | -100 | 27,622 | 96 | 744 | 0 | -157 | 28,305 | 2,002 | 26,403 | 28,405 | -100 | 28,305 |

Corporate Resources MTFS 2024/25

| | 2023/24 Employee Related Budget | 2023/24 Non - Employee Expenditure Budget | 2023/24 Gross Expenditure Budget | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expendit ure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget |
|--------------------------------------|------------------------------------------|----------------------------------------------------|-------------------------------------------|-------------------|----------------------------------------------|---------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Budget Area | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 |
| Policy Performance & Governance | 12,614 | 542 | 13,156 | -618 | 12,538 | 395 | 1,901 | -6 | | 14,828 | 14,110 | 1,342 | 15,452 | -624 | 14,828 |
| Digital & People Services | 8,815 | 9,018 | 17,833 | -447 | 17,386 | 275 | 1,568 | -8 | | 19,221 | 9,427 | 10,249 | 19,676 | -455 | 19,221 |
| Asset Management & Property Services | 3,962 | 8,026 | 11,988 | -4,297 | 7,691 | 121 | 300 | -27 | | 8,085 | 4,083 | 8,326 | 12,409 | -4,324 | 8,085 |
| Communications | 1,302 | -14 | 1,288 | -113 | 1,175 | 40 | | - | | 1,215 | 1,342 | -14 | 1,328 | -113 | 1,215 |
| Strategic Finance | 9,211 | -1,022 | 8,189 | -3,141 | 5,048 | 281 | 136 | -70 | | 5,395 | 9,628 | -1,022 | 8,606 | -3,211 | 5,395 |
| Executive Support & Information | -480 | 164 | -316 | 0 | -316 | 581 | | - | | 265 | 101 | 164 | 265 | 0 | 265 |
| Agile / Customer Experience | 3 | 0 | 3 | 0 | 3 | 0 | | - | | 3 | 3 | 0 | 3 | 0 | 3 |
| One Programme | 0 | 1,721 | 1,721 | 0 | 1,721 | 0 | 156 | - | | 1,877 | 0 | 1,877 | 1,877 | 0 | 1,877 |
| Emergency Planning | 324 | 15 | 339 | -98 | 241 | 10 | - | 0 | | 251 | 334 | 15 | 349 | -98 | 251 |
| Total: Corporate Resources | 35,751 | 18,450 | 54,201 | -8,714 | 45,487 | 1,703 | 4,061 | -111 | 0 | 51,140 | 39,028 | 20,937 | 59,965 | -8,825 | 51,140 |

Technical & Countywide MTFS 2024/25

| | 2023/24 Employee Related Budget | 2023/24 Non - Employee Expenditure Budget | 2023/24 Gross Expenditure Budget | 2023/24 Income | 2023/24 Revised MTFS Base Budget | Pay Inflation Costs | Cost Increases | Cost Reductions and Additional Income | Use of Reserves | Proposed 2024/25 Budget | 2024/25 Proposed Employee Related Budget | 2024/25 Proposed Non - Employee Expenditure Budget | 2024/25 Proposed Gross Expenditure Budget | 2024/25 Proposed Income Budget | Proposed 2024/25 MTFS Budget |
|------------------------------------------|------------------------------------------|----------------------------------------------------|-------------------------------------------|-------------------|-------------------------------------------|---------------------------|-------------------|---------------------------------------------------|--------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Budget Area | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 | £000 | £000 | £000 | £000 | £'000 |
| County Council Contingencies | 7,611 | 2,201 | 9,812 | - | 9,812 | 1,260 | | -407 | | 10,665 | 8,871 | 2,201 | 11,072 | - 407 | 10,665 |
| Corporately Controlled Budgets | 568 | 516 | 1,084 | - | 1,084 | | 220 | -156 | | 1,148 | 568 | 736 | 1,304 | - 156 | 1,148 |
| Capital Financing & Interest Credits | - | 26,705 | 26,705 | - 7,431 | 19,274 | | 2,195 | -2,600 | | 18,869 | - | 28,900 | 28,900 | -10,031 | 18,869 |
| Members and Elections | 191 | 1,306 | 1,497 | - | 1,497 | | | -3 | | 1,494 | 191 | 1,306 | 1,497 | - 3 | 1,494 |
| Total: Technical & Countywide | 8,370 | 30,728 | 39,098 | - 7,431 | 31,667 | 1,260 | 2,415 | - 3,166 | 0 | 32,176 | 9,630 | 33,143 | 42,773 | -10,597 | 32,176 |

Medium Term Financial Planning Framework 2023/24 to 2026/27**Annex 4*****Context***

The purpose of the Medium Term Financial Strategy (MTFS) is to give financial expression to the Council Strategy for the next four-year period. The MTFS sets out the Council's high-level funded plan, for achieving its goals and priorities, by balancing available financing and spending ambitions. It highlights the financial projections for financing, spending (revenue and capital), and reserves. The MTFS is prepared annually and covers the four-year period 2024/25 to 2027/28. It links decisions on resource allocation with decisions on policy priorities as set out in the Council Strategy.

Principles

The principles underlying the MTFS are:

- Stable and sustainable budgets.
- Ensures resources are focused on the Council's highest priorities.
- Demonstrates value for money.
- Recognises risk and ensures an adequate level of financial protection against risk by maintaining a prudent, but not excessive, level of financial reserves.
- Secure understanding of sources of potential finance.
- Builds financial capacity for organisational change.
- Is flexible – to allow shifts in spending should circumstances change.
- Does not overburden the Council with future financial commitments, with a key aim being to continue to reduce debt over the period of the new MTFS, thereby releasing on going debt related revenue savings.
- Aligns on-going financing resources with on-going spending commitments.

2024/25 Budget Assumptions

The 2024/25 Budget has been produced using the following assumptions.

- Council tax will increase by 2.99%.
- In addition, an Adult Social care precept of 2% will be applied in 2024/25.
- A 1% growth in taxbase is assumed.
- An assumed pay increase of 3.0% has been assumed.
- There is a Pay and Prices contingency based on 1% on pay.
- Inflation – budgets will only be adjusted for inflation where there is a contractual commitment.
- Fees and charges income budgets will be increased by 3% to take account of the additional costs of service delivery and any subsidies removed.
- The level of General Reserves will be assessed on a risk-based approach.
- External Borrowing will be repaid as it matures.
- A limited amount of central contingency will be held to cover potential risk of unachievable savings targets.

Reserves & Balances Analysis

Annex 5a

| Forecast of Projected Reserve Balances for 31st March 2024 | | | | | | |
|------------------------------------------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-------------------------------------|-------|
| Reserve Detail | Balance at 31st March 2023 | Forecast Transfers Out 2023/24 | Forecast Transfers In 2023/24 | Transfer to General Reserve | Forecast Balance at 31st March 2024 | Notes |
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Earmarked Reserves | | | | | | |
| Capital Fund | 6,831 | (2,467) | - | - | 4,364 | 1 |
| Strategic Waste Reserve | 2,751 | - | - | - | 2,751 | 2 |
| Transformation Reserve | 10,862 | (6,749) | 483 | (693) | 3,903 | 3 |
| Invest to Save | 1,017 | (500) | 69 | - | 586 | 4 |
| Insurance Fund | 10,900 | - | - | - | 10,900 | 5 |
| Public Health | 3,428 | (1,249) | - | - | 2,179 | 6 |
| County Elections | 209 | - | 200 | - | 409 | 7 |
| Fire Joint Training Centre | 849 | (129) | - | - | 720 | 8 |
| Economic Stimulus Reserve | 335 | (1,017) | 2,852 | - | 2,170 | 9 |
| Fire PFI Reserve - GFRS | 4,093 | (283) | 48 | - | 3,858 | 10 |
| Revenue Grant Reserves | 55,696 | (28,995) | - | - | 26,701 | 11 |
| Rates Retention Reserve | 8,419 | (763) | 13,125 | - | 20,781 | 12 |
| Education Funding Risk Reserve | 145 | (145) | - | - | - | 13 |
| Vulnerable Children Reserve | 7 | (7) | - | - | - | 14 |
| Home to School Transport Reserve | - | - | 330 | - | 330 | 15 |
| A417 Missing Link | 67 | (67) | - | - | - | 16 |
| Adult Care | 11,835 | (3,683) | - | - | 8,152 | 17 |
| Economy, Environmental & Infrastructure Reserve | 7,030 | (1,177) | 39 | - | 5,892 | 18 |
| Traded Services Reserve | 288 | (190) | - | - | 98 | 19 |
| Shared Audit Services Reserve | 198 | (78) | - | - | 120 | 19 |
| LED Renewables Reserve | 361 | - | - | - | 361 | 20 |
| Other Reserves | 321 | - | 19 | - | 340 | 21 |
| Growing Our Communities | 89 | (89) | - | - | - | 22 |
| People Services Reserve | 40 | (40) | - | - | - | 23 |
| Highways Act - Commuted Sum Reserve | 2,216 | (25) | 79 | - | 2,270 | 24 |
| Pay & Prices Reserve | 16,358 | (14,758) | 8,889 | (10,489) | - | 25 |
| Earmarked Reserves (Non School) | 144,345 | (62,410) | 26,134 | (11,182) | 96,887 | |
| Schools Related | | | | | | |
| School Balances | 26,427 | - | - | - | 26,427 | |
| Other Schools Related | 59 | - | - | - | 59 | |
| School Related | 26,486 | - | - | - | 26,486 | 26 |
| Earmarked Reserves Total | 170,831 | (62,410) | 26,134 | (11,182) | 123,373 | |
| General Fund Balances | 17,749 | (4,891) | 1,498 | 11,182 | 25,538 | 27 |
| Total Revenue Reserves | 188,580 | (67,301) | 27,632 | - | 148,911 | |
| Earmarked Capital Reserves | | | | | | |
| Capital Grants & Contributions Unapplied Reserve | 91,273 | (120,474) | 95,698 | - | 66,497 | 28 |
| Useable Capital Receipts Reserve | 103 | (8,633) | 8,530 | - | - | 29 |
| Total Capital Reserves | 91,376 | (129,107) | 104,228 | - | 66,497 | |
| Useable Reserves Total | 279,956 | (196,408) | 131,860 | - | 215,408 | |

Notes on Reserves

1. This is an earmarked reserve to provide funding for capital expenditure to reduce the need for external borrowing. All funds are earmarked for specific capital projects as agreed under the capital programme.
2. The strategic waste reserve is a smoothing reserve relating to the full contract life of the Energy from Waste project and has a small balance for Household Recycling Centres capital projects.
3. The transformation reserve supports a number of corporate programmes, including ICT transformation and the One Programme (SAP) upgrade of Finance, HR and Procurement systems.
4. The invest to save reserve supports projects that are designed to deliver on-going savings in the future by providing “pump priming” funding.
5. Insurance Fund levels are based on external professional actuarial review and advice to mitigate the Council's insurance liability.
6. The public health reserve holds any unused balances from the Public Health Grant received by Government. The reserves increased during the pandemic due to the suspension and/or scaling back of some services. The reserves will be gradually invested over the next 2-3 years (subject to the appropriate approval processes) in meeting known inflationary cost pressures in the grant, and in identified projects which meet the criteria of the public health grant and the short term nature of the funding while also ensuring sufficient contingency is maintained to respond to unforeseen cost pressures in the grant or enable resources to be stepped up in response to health protection need.
7. The county elections reserve acts as a smoothing reserve to fund the costs associated with county council elections held every four years. A budgeted annual contribution of £0.2 million is annually made to this fund.
8. The fire joint training reserve acts as an equalisation fund to smooth out revenue implications over the course of the PFI contract. PFI credits are received within the early years of the contract and need to be held to fund anticipated costs in the later years of the contract. Reserve balances are now expected to slowly reduce for the remaining of the contract to 2028.
9. The economic stimulus reserve is committed to fund a series of initiatives to support economic growth within Gloucestershire i.e. Fastershire rural broadband and apprenticeship initiative. We have received £2 million credit for the Fastershire Rural Broadband contract which can only be spent against future broadband solutions. This was part of the negotiated BT contract which enabled GCC to review actual take up rates of Broadband suppliers from infrastructure that our project delivered and claw back a certain amount of the income generated.
10. The fire PFI reserve acts as an equalisation fund to smooth out revenue implications over the course of the PFI contract. PFI credits are received within the early years of the contract and need to be held to fund anticipated costs in the later years of the contract.

11. The revenue grants reserve is a technical reserve established, as required under accounting policies, for specific unapplied revenue grants where conditions related to the grant have been fully met. The balance includes Health partnership funds (Integrated Commissioning Board).
12. The Council receives part of its base funding through the Business Rates Retention system (BRR). As a result the Council is subject to volatility around Business Rate collections. To smooth this volatility this reserve was created to top up any deficits. This reserve is also used to manage the operation of the Business Rates Pool (and Pilot during 2018/19). Surplus cash generated, or deficits needing to be funded, are managed via this reserve to ensure that there is no in year impact on the Budget. Part of this reserve is ring fenced for economic development projects across the county, funded from surplus Pool money allocated to the Strategic Economic Development Fund, held by the Council on behalf of all Pool members. Note that the projected balance is £562k higher than reported to Cabinet in January 2024, as highlighted in paragraph 25 in the earlier section E of this document.

The 2023/24 transfers in include balances approved by Cabinet at its meeting on 20 September 2023.

There are uncertainties over future levels of business rate funding, particularly with the planned Fair Funding Review, and Business Rate Retention. It is therefore considered prudent to retain the balance in this reserve.

13. The education funding smoothing reserve was established to finance any in-year funding adjustments made in relation to Academies. It is anticipated that this reserve will be fully depleted as at 31 March 2024.
14. The vulnerable children's reserve was established to cover the budgetary risks associated with the fluctuations in demand led Children's Services, such as agency placements, fostering allowances, special guardianship and care allowances. Note that Children's Services has separately been supplemented by £6.2 million from the Pay & Prices reserve during 2023/24, as approved by Council in February 2023.
15. The home to school transport reserve was created in order to smooth out the budgetary pressures caused by the fluctuations in school transport days between financial years.
16. This reserve was established to support the upgrading of a section of the A417.
17. Adult care reserve was established to cover the budgetary risks associated with the fluctuations in demand led adult services.
18. This reserve was created to hold a number of small revenue carry forwards for Economy, Environment and Infrastructure services.
19. The traded services & shared audit reserve was created to support activities to generate further traded income.
20. This is the smoothing reserve for the repayment of the SALIX/SEELs repayments over 7 years.
21. This relates to a small number of specific reserves.

22. The Growing our Communities Reserve was established in 2018/19 to provide an annual contribution to community-based investments. The residual amount is expected to be reallocated and fully utilised during 2023/24.
23. Residual reserve balance for Adult and Children's Services, projected to be fully used during 2023/24.
24. This Reserve holds Highways Act Commuted sums and will be used to support future years revenue costs.
25. The Pay & Prices reserve was created to provide for uncertain pay growth requirements, as well as volatile inflationary pressures. With these uncertainties now reducing, it is proposed that the remaining balance will be amalgamated into the General Reserve as at 31 March 2024, with ongoing risks managed via the General Reserve (see Annex 5b).
26. Schools' balances are ring-fenced.
27. The General Reserve drawdowns for 2023/24 include £4 million approved as part of 2023/24 budget setting. Forecast for 2023/24 outturn as at February 2024 is an underspend, including favourable income from Energy from Waste. Budget underspend will be transferred to General Fund reserve at year-end, and will be partly used to fund additional commitments arising from Full Council meeting on 21 February 2024. Risks which are provided for within the General Reserve are set out in Annex 5b.
28. The capital grants & contributions reserve is a technical reserve established, as required under accounting policies, for specific unapplied capital grants & contributions where conditions related to the grant have been fully met.
29. The capital receipts reserve holds capital receipts which have been received from approved property disposals. These receipts are held to finance the approved capital programme.

Risk Assessment of Uncommitted General Fund Reserve**ANNEX 5b**

| Risk | Risks & Quantification | Likelihood & Value of Potential Call on Reserves |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Overspend on Service Expenditure | An amount is included for the potential risk of overspend (excluding the risk on deliverability of budget proposals covered below). Volatility of 1.5% is possible given service delivery demand pressures. | <u>Medium</u> <u>£9.0m</u> |
| Overruns on Major IT Implementations / Upgrades | The Council is currently progressing a number of transformations and upgrades. Given the level of specialist support required, programme overruns may require in additional resource requirements. | <u>Medium</u> <u>£1.0m</u> |
| Pump-priming Major Infrastructure Projects | Ensure sufficient resources available to support infrastructure projects which may emerge, not currently included within service budget resources or earmarked reserves. This includes an allowance for proposed Chepstow bypass. | <u>Medium</u> <u>£1.0m</u> |
| Deficit Reserves / Statutory Overrides | Legislation currently requires specific deficits to be held separately within unuseable reserves, as defined by Statutory Overrides. An Override currently exist for Pooled Investments. Expiry of this Override is in March 2025. Deficits existing at the expiry of the Overrides are likely to require funding from General Reserve balances. | <u>High</u> <u>£6.0m</u> |
| Grant Funding | The Council receives grant funding to undertake one off projects both capital and revenue. There is a risk of grant clawback where projects do not meet their outputs, where they do not proceed, or the Council subsequently breaks the grant conditions. There is also a risk that expenditure will slip beyond the period of the grant so becoming ineligible and require financing from alternative resources. | <u>Low</u> <u>£1.0m</u> |
| Treasury Management | Whilst the Council attempts to minimise the risks when making treasury management investment decisions there is still a potential risk of a bank or financial institution in which the Council has invested collapsing or has a lower than anticipated yield. | <u>Low</u> <u>£0.5m</u> |
| Pay awards and other employee related changes | The assumed pay award for 2024/25 has been budgeted at 4%. Agreements in 2022/23 and 2023/24 have been higher than this. An additional 0.5% is therefore held as a risk provision, which would cost £1m. | <u>Medium</u> <u>£1.0m</u> |
| Collection of Council Tax / NNDR | Fluctuations in council tax base figures could result in considerable pressure on the Councils revenue budget. This is a risk which has previously been held within the General Reserve, but it is proposed that going forward the risk is instead mitigated | <u>Low</u> <u>£0.5m</u> |
| Estimated total risks | | £20m |
| Forecast level of General Reserve at 31/03/2024 | | £25.538m |
| Less assumed drawing from General Reserves to balance the 2024/25 budget. | | £2.845m |
| Uncommitted level of Reserves | | £2.693m |

Revenue Budget Forward Projections

Annex 6

| | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|-----------------------------------------------|---------------|---------------|---------------|---------------|
| | Actual | Forecast | Forecast | Forecast |
| | £m | £m | £m | £m |
| Original Base Budget | 567.13 | 616.87 | 644.48 | 669.25 |
| One off Budget Adjustments | -2.27 | 10.47 | 7.10 | 3.32 |
| Revised Budget | 564.86 | 627.34 | 651.58 | 672.57 |
| Pay Inflation | 11.15 | 4.19 | 4.28 | 4.36 |
| Prices Inflation | 18.18 | 9.47 | 9.20 | 9.27 |
| Demographic Growth | 18.48 | 6.95 | 6.31 | 6.47 |
| Other Cost and Spending Pressures | 31.73 | 25.00 | 25.00 | 25.00 |
| Savings | -6.96 | -3.80 | -2.39 | -2.13 |
| Income | -16.07 | -7.36 | -1.24 | -1.28 |
| Use of Reserves | -4.50 | -3.21 | -3.44 | -3.17 |
| Savings to be Identified | 0.00 | -14.09 | -20.05 | -11.47 |
| Net Operating Budget | 616.87 | 644.48 | 669.25 | 699.62 |
| Less:- | | | | |
| Top Up Grant | 57.00 | 58.14 | 59.31 | 60.49 |
| Business Rates Income | 26.16 | 27.04 | 27.55 | 28.07 |
| Revenue Support Grant | 11.07 | 10.18 | 10.38 | 10.59 |
| S31 Grant | 21.67 | 22.83 | 20.19 | 20.74 |
| Social Care Funding | 63.34 | 64.39 | 65.45 | 66.54 |
| Service Grant | 0.53 | 0.53 | 0.53 | 0.53 |
| Improved Better Care Fund | 20.02 | 20.02 | 20.02 | 20.02 |
| Public Health Grant | 26.67 | 27.21 | 27.75 | 28.31 |
| New Homes Bonus | 0.86 | 0.86 | 0.00 | 0.00 |
| Inshore Fisheries | 0.12 | 0.12 | 0.12 | 0.12 |
| Collection Fund Surplus | 2.62 | 3.00 | 3.00 | 3.00 |
| Budget to be met by Council Tax Payers | 386.80 | 410.16 | 434.94 | 461.21 |
| <u>Council Tax Calculation</u> | | | | |
| Council Tax Base (Est) | 241,778 | 244,196 | 246,638 | 249,104 |
| Council Tax Band D Equivalent) | £1,599.82 | £1,679.65 | £1,763.46 | £1,851.46 |
| % Increase in Council Tax | 4.99% | 4.99% | 4.99% | 4.99% |

Revenue Budget Forward Assumptions

There are several assumptions that feed into the Medium-Term financial plan, as per below.

1. One-off Budget Adjustments

These are adjustments that unwind any prior year one-offs, including Pressures, Savings, Income and Use of Reserves. Where non-recurring pressures are funded, this adjustment would be a reduction to the Net Operating Budget. However, the positive figures (i.e. an increase to the Net Operating Budget), represents the removal of use of reserves and Energy from Waste (EfW) income.

2. Pay Inflation

3% Pay award included within service budgets for 2024/25, plus 1% pay and prices provision held corporately, with 1.94% back pay pressure. 2025/26 onwards is assumed at 2%.

3. Prices Inflation

Contract inflation expected to reduce from 2025/26 onwards, in line with CPI reducing nationally.

4. Other Cost and Spending Pressures

Estimate of £25 million per annum from 2025/26 onwards, based upon historic trends.

5. Savings

This consists of savings currently identified.

6. Income

Built up of EfW (24/25 - £15.087m, 25/26 - £6.198m) and 3% Fees and Charges increase.

7. Use of Reserves

Anticipate specific reserves and uncommitted General Reserves will continue to fund one-off pressures in future years, including use of Public Health reserve.

8. Budget to be met by Council Taxpayers

Council Tax Base multiplied by the Council Tax Band D Equivalent

9. Council Tax Base

Assumed to increase 1.00% each year.

10. Council Tax Band D Equivalent

Assumed to increase by 4.99% each year.

11. % Increase in Council Tax

Made up of 2.99% Council Tax, and 2.00% Adult Social Care precept per annum over lifetime of MTFS.

Capital Strategy 2024/25

- 1 This capital strategy sets out the direction for GCC's capital programme management and investment decisions. It provides a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of local public services. It also provides an overview of how the associated risk is managed and the implications for future financial sustainability.
- 2 Decisions made each year on capital and treasury management will have financial consequences for many years into the future. The requirement for councils to prepare a Capital Strategy is set out in the Prudential Code (2021), and this document has been produced in accordance with the latest guidance.

Capital Expenditure and Financing

- 3 Capital expenditure is where GCC spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 4 In 2024/25, the Budget set for planned capital programme expenditure is £198.7 million, the breakdown of which is provided in Annex 8. In addition to the capital programme GCC will also incur capital expenditure on existing PFI and Finance Leases. Currently this is estimated to be just over £1 million each year relating to the lease payments for two PFI schemes and the Energy from Waste scheme. The accounting standard IFRS 16 will apply from April 2024, and it is expected that this will add £6.5 million capital spend to 2024/25. The write down of this will be fully funded from lease repayments so will not impact on the revenue budget.

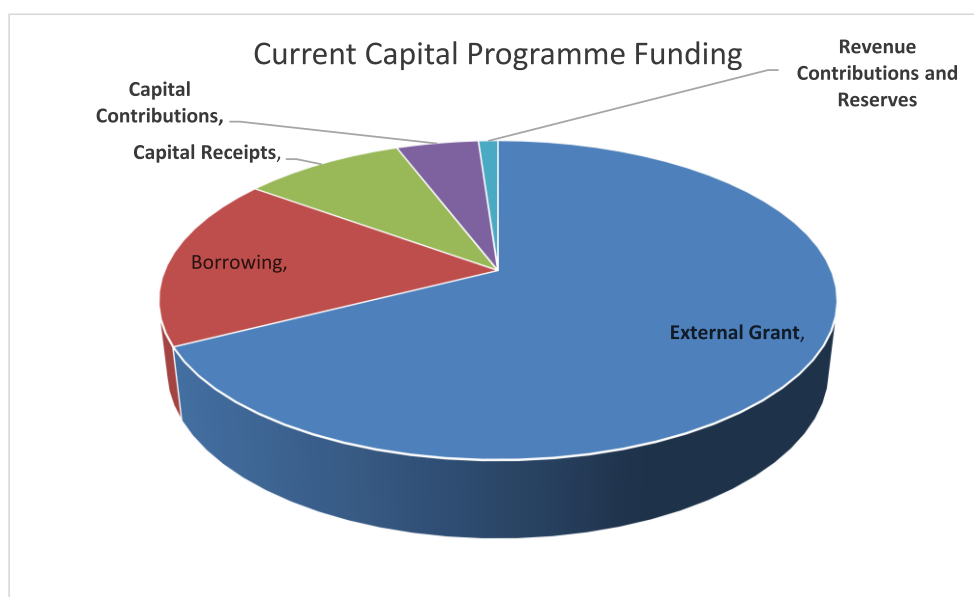
Governance:

- 5 Governance processes are in place to ensure capital investment decisions (including loans and grants) are made legitimately, transparently and deliver the priorities of GCC. No capital expenditure can be incurred without formal approval and inclusion in the capital programme.
- 6 For the majority of service areas service managers bid annually to include projects in the capital programme. The project appraisal process will be the methodology employed to evaluate schemes included in the MTFS. The elements are:
 - Scheme description
 - Fit against GCC's priorities.
 - Costs including whole life costs and scheme phasing.
 - Available funding and source
 - Revenue consequences
 - Risk assessment
 - VAT issues
 - Planning and site issues
 - Target dates

- 7 Analysis of existing approved schemes will be carried out at each MTFS refresh to identify all “non-committed” schemes. If necessary, these will be re-prioritised against other priority schemes awaiting approval. Capital resources will be made available to deliver schemes that meet “invest to save” criteria.
- 8 All Highway related projects, with a few limited exceptions are subjected to a mathematical assessment process applicable to the area of the service involved. The exceptions are the allocations that are set aside for reactive works which relates to urgent work necessary to keep the network in a safe and operational state, Community Offer where we match contributions from the community and low-cost minor works where we react on a local basis to needs, and developer funded projects.
- 9 GCC has a statutory obligation to ensure there are sufficient local school places available across the County. The capital and grant funding it receives is prioritised against schemes which have been identified to meet forecast growth (basic need) in areas where additional places are required and where the condition of the school’s infrastructure needs updating and replacing. Annual monitoring of pupil’s forecasts and housing, together with annual inspections of school site and premises ensure the information is up to date to inform planned decisions. GCC produced a School Places Strategy document (2021- 2026). The strategy, which was approved by Cabinet in March 2021, is a key framework document for considering any statutory proposals for changes to school organisation including the commissioning of new schools and will inform future capital investment priorities.
- 10 The capital programme is shown in Annex 8 and is presented to Cabinet in January and to Council in February each year. Full details of GCC’s current capital programme can be found in the Budget at www.gloucestershire.gov.uk. To ensure that the capital programme works efficiently, GCC has set clear and affordable prudential indicators targets. This will ensure that the future capital programme remains affordable in both the short and long term. All of the capital prudential indicators are presented within the Treasury Strategy in Annex 10.

Financing Capital Expenditure

- 11 The level and availability of capital funding determines the size of the overall capital programme. All capital expenditure must be financed, either from external sources (including government grants and other contributions), direct funding from GCC’s own resources (revenue, reserves and capital receipts) or debt (including internal borrowing, leasing and Private Finance Initiatives (PFI)).
- 12 Local Authorities are permitted to undertake borrowing to finance capital expenditure. In planning for long term capital investment, it is essential the long-term revenue financing cost is affordable. As such, there are close links between this Capital Strategy and the Treasury Management Strategy (TMSS), shown as Annex 10. GCC must manage debt responsibly with decisions on borrowing made in accordance with the TMSS. Current financing of the capital expenditure is as follows:



- 13 External grant is the main source of funding the current capital programme, with other schemes funded from borrowing, capital receipts and capital contributions. There is also a smaller revenue contribution.
- 14 Any borrowing creates debt, which is only a temporary source of finance since loans and leases must be repaid. This is therefore replaced over time by other financing, usually from revenue which is known as the minimum revenue provision (MRP) with leased PFI assets being financed via lease payments.
- 15 The MRP is the amount set aside for the repayment of debt as a result of borrowing made to finance capital expenditure. The Council sets its MRP Policy annually as part of the TMSS, and the current policy is shown in Annex 10. MRP charges reflect the economic benefit GCC gets from using the asset to deliver services over its useful life. This ensures council taxpayers are being charged each year in line with the asset usage and prevents future council taxpayers being burdened with 'debt' and the costs of that debt, relating to assets that are no longer in use.
- 16 Proceeds from selling capital assets (known as capital receipts) may also be used to replace debt finance, however there are no plans to use capital receipts in this way at the current time.
- 17 GCC's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure (borrowing) and reduces with MRP payments and capital receipts used to replace debt. The CFR is forecast to be £483.441 million at the end of 2023/24, and the future forecast for CFR is provided as part of the prudential indicators within the TMSS.

Asset management

- 18 To ensure that capital assets continue to be of long-term use, GCC has an asset management strategy in place. This document seeks to align the asset portfolio

with the needs of GCC. GCC's asset management strategy is available on GCC's website, www.gloucestershire.gov.uk

- 19 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.
- 20 Since 2016/17 new capital receipts can also be used to fund the revenue costs of transformation projects designed to generate ongoing revenue savings in the delivery of public services and / or to transform service delivery in a way that reduces costs or demand for services in the future. The approved budget 2024/25 does not anticipate the use of capital receipts in this way, however given the ongoing transformation programme and the financial challenges faced by GCC it may become necessary to consider using capital receipts in this flexible manner in future. Using capital receipts in this way will require the approval of the County Council.
- 21 Repayments of capital grants, loans and investments also generate capital receipts. GCC plans to receive £8.6 million of capital receipts in the current financial year.

Treasury Management

- 22 The capital strategy forms an integral part of GCC's medium to long term financial and service planning and budget setting process as it can assist with invest to save activity and will impact the revenue budget through the debt repayment. It is also fundamental to Treasury Management in relation to investment decisions.
- 23 The detailed TMSS is shown as Annex 10 of this MTFS. Treasury Management is concerned with keeping sufficient but not excessive cash available to meet GCC's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by prudent borrowing. GCC is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 24 GCC is currently holding all new long term borrowing requirements internally. However, should there be a need to externalise this debt or take short term debt for cash flow purposes the main objectives will be to achieve a low but certain cost of finance, while retaining flexibility should plans change in future.
- 25 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management. The Department for Levelling Up, Housing and Communities (DLUHC) guidance requires that a non-treasury management Investment Strategy is maintained, and this forms part of GCC's TMSS.
- 26 GCC's policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely

to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation.

- 27 The effective management and control of risk are prime objectives of GCC's treasury management activities. The TMSS 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.
- 28 Decisions on treasury management deposits and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the TMSS approved annually by Council in February. Regular reports on treasury management activity are presented to Audit and Governance Committee. The Audit and Governance Committee is responsible for scrutinising treasury management decisions. Under the updated Prudential Code, GCC is now required to report performance quarterly to Cabinet.
- 29 GCC can make investments to assist local public services; this could include making loans to local service providers, small businesses to promote economic growth and Council subsidiaries that provide services. In light of the public service objective, GCC is willing to take more risk than with treasury investments, however, should these types of investments be made the objective would be for such investments to break even after all costs.
- 30 Decisions on service investments are made by the relevant service manager in consultation with the Section 151 Officer and must meet the criteria and limits laid down in Accounting Regulations and the TMSS. Most loans and shares are capital expenditure and significant purchases will be approved as part of the capital programme.

Commercial Activities

- 31 With central government financial support for local public services declining, many local authorities have invested in commercial property for financial gain. With financial return being the main objective, Council's will generally accept higher risk on commercial investment, in line with business cases, than it would for treasury investments. The principal risk exposure includes gaps in rental income, falls in capital value, delays in occupation. Should GCC choose to pursue commercial activities, the risks will be managed in line with a comprehensive business case.
- 32 All decisions on commercial investments will be made by the Section 151 Officer in line with the criteria and limits approved by full Council in the TMSS. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.
- 33 Further details on the revenue implications of capital expenditure are within Annex 10 of the MTFS. Capital expenditure is very long-term in nature and financing, and the revenue budget implications of capital decisions made now will extend for up

to 50 years into the future. The Section 151 Officer will ensure that they are satisfied that the approved capital programme shown in Annex 8 is prudent, affordable and sustainable and that new schemes are robustly challenged through the capital bidding process.

Knowledge and Skills

- 34 GCC employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. GCC pays for staff to study towards relevant professional qualifications.
- 35 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. GCC currently employs Arlingclose Limited as treasury management advisers.
- 36 Asset valuations are co-ordinated internally by GCC's Valuation Service Team, with valuations carried out through a combination of GCC's internal valuers and, where necessary, external valuers (RICS qualified). The Valuation Service Team ensures all valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Annex 8a

MEDIUM TERM CAPITAL PROGRAMME - COUNTY COUNCIL SERVICES FINANCING STATEMENT

| | Profiled Budget | | | | Future | Total | Prior | Total |
|--------------------------------------------------|-----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Years | Still | Years | Scheme |
| | £000 | £000 | £000 | £000 | Required | £000 | Actual | Investment |
| | | | | | £000 | £000 | £000 | £000 |
| GROSS PAYMENTS | | | | | | | | |
| <u>Adults</u> | 14,350 | 11,122 | 6,842 | 0 | 0 | 32,314 | 3,734 | 36,048 |
| <u>Children & Families</u> | | | | | | | | |
| Schools | 14,035 | 24,010 | 34,908 | 10,289 | 7,133 | 90,375 | 73,979 | 164,354 |
| Non Schools | 2,161 | 4,326 | 4,239 | 0 | 0 | 10,726 | 1,609 | 12,335 |
| <u>Economy, Environment & Infrastructure</u> | | | | | | | | |
| Transport & Highways | 102,971 | 124,666 | 77,418 | 78,685 | 19,841 | 403,581 | 166,641 | 570,222 |
| Planning & Economic Development | 2,668 | 3,804 | 1,029 | 366 | 135 | 8,002 | 9,560 | 17,562 |
| Environment & Waste | 1,632 | 511 | 378 | 297 | 246 | 3,064 | 809 | 3,873 |
| Libraries & Registration | 959 | 1,169 | 0 | 0 | 0 | 2,128 | 2,263 | 4,391 |
| <u>Community Safety</u> | | | | | | | | |
| Fire & Rescue Service | 631 | 5,317 | 3,042 | 2,836 | 0 | 11,826 | 340 | 12,166 |
| <u>Corporate Resources</u> | | | | | | | | |
| Asset Management & Property Services | 10,744 | 9,748 | 19,633 | 2,547 | 155 | 42,827 | 23,266 | 66,093 |
| ICT Projects | 3,583 | 3,821 | 2,492 | 2,188 | 1,323 | 13,407 | 5,237 | 18,644 |
| Business Service Centre | 145 | 0 | 0 | 0 | 0 | 145 | 95 | 240 |
| Archives & Information Management | 30 | 0 | 0 | 0 | 0 | 30 | 27 | 57 |
| Digital Innovation (Customer) | 20 | 0 | 0 | 0 | 0 | 20 | 0 | 20 |
| Investment and Transformation Fund | 1,000 | 10,300 | 12,300 | 12,300 | 11,300 | 47,200 | 0 | 47,200 |
| Total | 154,929 | 198,794 | 162,281 | 109,508 | 40,133 | 665,645 | 287,560 | 953,205 |
| AVAILABLE RESOURCES | | | | | | | | |
| External Grant - including Government | 106,752 | 122,648 | 95,302 | 75,536 | 25,024 | 425,262 | | |
| Borrowing | 29,754 | 48,021 | 59,302 | 27,926 | 15,109 | 180,112 | | |
| Capital Receipts | 8,631 | 21,697 | 7,677 | 5,054 | 0 | 43,059 | | |
| Section 106 Contributions | 2,155 | 4,480 | 0 | 992 | 0 | 7,627 | | |
| Other External Contributions | 5,063 | 1,139 | 0 | 0 | 0 | 6,202 | | |
| Capital Fund/Revenue Contributions | 2,298 | 45 | 0 | 0 | 0 | 2,343 | | |
| Other Reserves | 276 | 764 | 0 | 0 | 0 | 1,040 | | |
| Total | 154,929 | 198,794 | 162,281 | 109,508 | 40,133 | 665,645 | | |
| Surplus/deficit (-) | 0 | 0 | 0 | 0 | 0 | 0 | | |

| Capital Programme 2024/25 | | Budget | | | | | | | Financing for Remaining Life (2023/24 onwards) | | | | | | | | | | |
|------------------------------------------|--------------|-------------|---------|---------|---------|---------|--------------|------------------|------------------------------------------------|----------------|-----------|------------------------|----------------|-----------------|--------------------------|---------------------|-------------------------|------|------|
| Scheme Name | Total Scheme | Prior Years | | | | | | Capital Receipts | S106 External Contrib | External Grant | Borrowing | Other External Contrib | Other Reserves | Revenue Contrib | Total for Remaining Life | Prior Years Funding | Funding of Budget Total | | |
| | Budget | Actuals | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Future Years | | | | | | | | | | | £000 | £000 |
| Summary by service area | | | | | | | | | | | | | | | | | | | |
| Adults | 36,048 | 3,734 | 14,350 | 11,122 | 6,842 | 0 | 0 | 4,072 | 0 | 27,545 | 676 | 0 | 0 | 21 | 32,314 | 3,734 | 36,048 | | |
| Schools | 164,354 | 73,979 | 14,035 | 24,010 | 34,908 | 10,289 | 7,133 | 5,000 | 2,678 | 78,127 | 4,044 | 298 | 0 | 228 | 90,375 | 73,979 | 164,354 | | |
| Non Schools | 12,335 | 1,609 | 2,161 | 4,326 | 4,239 | 0 | 0 | 0 | 0 | 1,923 | 7,565 | 1,235 | 0 | 3 | 10,726 | 1,609 | 12,335 | | |
| Transport & Highways | 570,222 | 166,641 | 102,971 | 124,666 | 77,418 | 78,685 | 19,841 | 10,134 | 3,649 | 315,773 | 71,833 | 993 | 86 | 1,113 | 403,581 | 166,641 | 570,222 | | |
| Planning & Economic Development | 17,562 | 9,560 | 2,668 | 3,804 | 1,029 | 366 | 135 | 5,166 | 4 | 1,758 | 973 | 0 | 47 | 54 | 8,002 | 9,560 | 17,562 | | |
| Environment & Waste | 3,873 | 809 | 1,632 | 511 | 378 | 297 | 246 | 693 | 0 | 0 | 1,432 | 0 | 165 | 774 | 3,064 | 809 | 3,873 | | |
| Libraries & Registration | 4,391 | 2,263 | 959 | 1,169 | 0 | 0 | 0 | 594 | 1,296 | 29 | 209 | 0 | 0 | 0 | 2,128 | 2,263 | 4,391 | | |
| Fire & Rescue Service | 12,166 | 340 | 631 | 5,317 | 3,042 | 2,836 | 0 | 3,766 | 0 | 0 | 8,060 | 0 | 0 | 0 | 11,826 | 340 | 12,166 | | |
| Asset Management & Property Services | 66,093 | 23,266 | 10,744 | 9,748 | 19,633 | 2,547 | 155 | 4,263 | 0 | 107 | 34,481 | 3,676 | 300 | 0 | 42,827 | 23,266 | 66,093 | | |
| ICT Projects | 18,644 | 5,237 | 3,583 | 3,821 | 2,492 | 2,188 | 1,323 | 9,468 | 0 | 0 | 3,939 | 0 | 0 | 0 | 13,407 | 5,237 | 18,644 | | |
| Business Service Centre | 240 | 95 | 145 | 0 | 0 | 0 | 0 | 145 | 0 | 0 | 0 | 0 | 0 | 0 | 145 | 95 | 240 | | |
| Archives & Information Management | 57 | 27 | 30 | 0 | 0 | 0 | 0 | 18 | 0 | 0 | 0 | 0 | 12 | 0 | 30 | 27 | 57 | | |
| Digital Innovation (Customer) | 20 | 0 | 20 | 0 | 0 | 0 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 0 | 20 | | |
| Investment and Transformation Fund | 47,200 | 0 | 1,000 | 10,300 | 12,300 | 12,300 | 11,300 | 0 | 0 | 0 | 47,200 | 0 | 0 | 0 | 47,200 | 0 | 47,200 | | |
| Total Capital Programme | 953,205 | 287,560 | 154,929 | 198,794 | 162,281 | 109,508 | 40,133 | 43,339 | 7,627 | 425,262 | 180,412 | 6,202 | 610 | 2,193 | 665,645 | 287,560 | 953,205 | | |
| Adults | | | | | | | | | | | | | | | | | | | |
| H.O.L.D. Scheme | 654 | 184 | 80 | 390 | 0 | 0 | 0 | 0 | 0 | 470 | 0 | 0 | 0 | 0 | 470 | 184 | 654 | | |
| GIS Vehicle Replacement | 679 | 0 | 48 | 631 | 0 | 0 | 0 | 0 | 0 | 0 | 676 | 0 | 0 | 3 | 679 | 0 | 679 | | |
| Greville House refurbishment (OSJ) | 1,084 | 29 | 1,002 | 53 | 0 | 0 | 0 | 1,055 | 0 | 0 | 0 | 0 | 0 | 0 | 1,055 | 29 | 1,084 | | |
| Rodley House refurbishment (OSJ) | 1,028 | 28 | 50 | 950 | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 28 | 1,028 | | |
| The Coombs refurbishment (OSJ) | 941 | 27 | 868 | 46 | 0 | 0 | 0 | 914 | 0 | 0 | 0 | 0 | 0 | 0 | 914 | 27 | 941 | | |
| Henlow Court refurbishment (OSJ) | 731 | 24 | 672 | 35 | 0 | 0 | 0 | 707 | 0 | 0 | 0 | 0 | 0 | 0 | 707 | 24 | 731 | | |
| Disabled Facilities Grant 2023/24 | 1,483 | 0 | 0 | 1,483 | 0 | 0 | 0 | 0 | 0 | 1,483 | 0 | 0 | 0 | 0 | 1,483 | 0 | 1,483 | | |
| GIS Office refurbishment & canopy | 423 | 107 | 300 | 16 | 0 | 0 | 0 | 316 | 0 | 0 | 0 | 0 | 0 | 0 | 316 | 107 | 423 | | |
| DFG 23/24 - Community Equipment | 1,200 | 0 | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 | 1,200 | 0 | 0 | 0 | 0 | 1,200 | 0 | 1,200 | | |
| DFG 23/24 - We Care & Repair adaptations | 1,000 | 0 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 0 | 1,000 | 0 | 1,000 | | |
| DFG 23/24 - Cheltenham | 755 | 0 | 755 | 0 | 0 | 0 | 0 | 0 | 0 | 755 | 0 | 0 | 0 | 0 | 755 | 0 | 755 | | |
| DFG 23/24 - Cotswold | 1,200 | 0 | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 | 1,200 | 0 | 0 | 0 | 0 | 1,200 | 0 | 1,200 | | |
| DFG 23/24 - Forest of Dean | 1,500 | 0 | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | 0 | 0 | 0 | 0 | 1,500 | 0 | 1,500 | | |
| DFG 23/24 - Gloucester | 1,277 | 0 | 1,277 | 0 | 0 | 0 | 0 | 0 | 0 | 1,277 | 0 | 0 | 0 | 0 | 1,277 | 0 | 1,277 | | |
| DFG 23/24 - Stroud | 750 | 0 | 750 | 0 | 0 | 0 | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 0 | 750 | 0 | 750 | | |
| DFG 23/24 - Tewkesbury | 800 | 0 | 800 | 0 | 0 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 800 | 0 | 800 | | |
| DFG 23/24 - Funding for Digital Switch | 1,236 | 0 | 1,236 | 0 | 0 | 0 | 0 | 0 | 0 | 1,236 | 0 | 0 | 0 | 0 | 1,236 | 0 | 1,236 | | |
| DFG 23/24 - Retrofit - Fuel Poverty | 500 | 0 | 250 | 250 | 0 | 0 | 0 | 0 | 0 | 500 | 0 | 0 | 0 | 0 | 500 | 0 | 500 | | |
| Schemes under £250,000 23/24 onwards | 5,123 | 3,335 | 1,362 | 426 | 0 | 0 | 0 | 80 | 0 | 1,690 | 0 | 0 | 0 | 18 | 1,788 | 3,335 | 5,123 | | |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | | |
| Disabled Facilities Grant 2024/25 | 6,842 | 0 | 0 | 6,842 | 0 | 0 | 0 | 0 | 0 | 6,842 | 0 | 0 | 0 | 0 | 6,842 | 0 | 6,842 | | |
| Disabled Facilities Grant 2025/26 (EST) | 6,842 | 0 | 0 | 0 | 6,842 | 0 | 0 | 0 | 0 | 6,842 | 0 | 0 | 0 | 0 | 6,842 | 0 | 6,842 | | |
| Total Adults | 36,048 | 3,734 | 14,350 | 11,122 | 6,842 | 0 | 0 | 4,072 | 0 | 27,545 | 676 | 0 | 0 | 21 | 32,314 | 3,734 | 36,048 | | |
| Schools | | | | | | | | | | | | | | | | | | | |
| Heart of the Forest SEMH provision | 1,600 | 379 | 1,050 | 171 | 0 | 0 | 0 | 0 | 0 | 1,221 | 0 | 0 | 0 | 0 | 1,221 | 379 | 1,600 | | |
| Brook Academy New SEMH School | 9,894 | 9,579 | 200 | 79 | 36 | 0 | 0 | 0 | 0 | 133 | 182 | 0 | 0 | 0 | 315 | 9,579 | 9,894 | | |
| Sladewood Academy new Special School | 1,100 | 2 | 1,007 | 87 | 4 | 0 | 0 | 0 | 0 | 898 | 7 | 193 | 0 | 0 | 1,098 | 2 | 1,100 | | |
| The Wheatridge Special School | 16,500 | 0 | 200 | 7,000 | 9,300 | 0 | 0 | 0 | 0 | 16,500 | 0 | 0 | 0 | 0 | 16,500 | 0 | 16,500 | | |
| Leckhampton High School new school | 34,523 | 33,499 | 1,024 | 0 | 0 | 0 | 0 | 4,980 | 0 | 0 | -3,956 | 0 | 0 | 0 | 1,024 | 33,499 | 34,523 | | |
| Gloucester & Forest APS Eastbrook Road | 1,167 | 0 | 900 | 267 | 0 | 0 | 0 | 0 | 0 | 1,167 | 0 | 0 | 0 | 0 | 1,167 | 0 | 1,167 | | |
| Basic Need Grant 2020/21 | 1,433 | 0 | 298 | 1,135 | 0 | 0 | 0 | 0 | 0 | 1,433 | 0 | 0 | 0 | 0 | 1,433 | 0 | 1,433 | | |
| Carbon Reduction in Education Properties | 556 | 0 | 0 | 206 | 350 | 0 | 0 | 0 | 0 | 0 | 556 | 0 | 0 | 0 | 556 | 0 | 556 | | |
| Basic Need Grant 2022/23 | 7,231 | 0 | 0 | 2,231 | 5,000 | 0 | 0 | 0 | 0 | 7,231 | 0 | 0 | 0 | 0 | 7,231 | 0 | 7,231 | | |
| Basic Need top up (internal borrowing) | 5,000 | 0 | 0 | 0 | 4,000 | 1,000 | 0 | 0 | 0 | 0 | 5,000 | 0 | 0 | 0 | 5,000 | 0 | 5,000 | | |
| Schools Condition Allocation 23/24 | 4,521 | 0 | 0 | 2,192 | 2,329 | 0 | 0 | 0 | 0 | 4,521 | 0 | 0 | 0 | 0 | 4,521 | 0 | 4,521 | | |
| Berkeley Primary expansion | 685 | 0 | 0 | 685 | 0 | 0 | 0 | 0 | 685 | 0 | 0 | 0 | 0 | 0 | 685 | 0 | 685 | | |

| Capital Programme 2024/25 | | Budget | | | | | | | Financing for Remaining Life (2023/24 onwards) | | | | | | | | | |
|-------------------------------------------------|--------------|-------------|---------|---------|---------|---------|--------------|---|------------------------------------------------|----------|----------|-----------|---------|----------|-----------|----------------|---------|--------------|
| Scheme Name | Total Scheme | Prior Years | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Future Years | | S106 | | | Other | | Revenue | Total for | Prior Years | Funding | Budget Total |
| | Budget | Actuals | | | | | | | Capital | External | External | External | Other | | | | | |
| | £000 | £000 | | | | | | | Receipts | Contrib | Grant | Borrowing | Contrib | Reserves | Contrib | Remaining Life | £000 | £000 |
| Warden Hill Primary replacement | 7,546 | 6,135 | 1,363 | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 1,163 | 225 | 0 | 0 | 23 | 1,411 | 6,135 | 7,546 |
| St. David's Primary expansion | 1,500 | 211 | 0 | 0 | 0 | 1,289 | 0 | 0 | 0 | 992 | 297 | 0 | 0 | 0 | 0 | 1,289 | 211 | 1,500 |
| Twynning Primary expansion | 600 | 2 | 550 | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 583 | 15 | 0 | 0 | 0 | 598 | 2 | 600 |
| Winchcombe Abbey Primary expansion | 1,500 | 115 | 0 | 0 | 1,385 | 0 | 0 | 0 | 0 | 0 | 1,385 | 0 | 0 | 0 | 0 | 1,385 | 115 | 1,500 |
| Greenacres Primary new school | 11,000 | 3,632 | 797 | 6,421 | 150 | 0 | 0 | 0 | 0 | 0 | 7,368 | 0 | 0 | 0 | 0 | 7,368 | 3,632 | 11,000 |
| Childcare Expansion Capital Grant 23/24 | 1,176 | 0 | 0 | 1,176 | 0 | 0 | 0 | 0 | 0 | 0 | 1,176 | 0 | 0 | 0 | 0 | 1,176 | 0 | 1,176 |
| Naunton Park Primary damp works | 349 | 0 | 349 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 349 | 0 | 0 | 0 | 0 | 349 | 0 | 349 |
| Schemes under £250,000 23/24 onwards | 27,040 | 20,425 | 6,297 | 264 | 54 | 0 | 0 | 0 | 20 | 1,001 | 5,269 | 15 | 105 | 0 | 205 | 6,615 | 20,425 | 27,040 |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | |
| Schools Condition Allocation 2024/25 (Estimate) | 4,300 | 0 | 0 | 0 | 4,300 | 0 | 0 | 0 | 0 | 0 | 4,300 | 0 | 0 | 0 | 0 | 4,300 | 0 | 4,300 |
| Basic Need Grant 2025/26 | 23,133 | 0 | 0 | 0 | 8,000 | 8,000 | 7,133 | 0 | 0 | 0 | 23,133 | 0 | 0 | 0 | 0 | 23,133 | 0 | 23,133 |
| Schools Solar Fund | 2,000 | 0 | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | 0 | 0 | 2,000 | 0 | 2,000 |
| Total Schools | 164,354 | 73,979 | 14,035 | 24,010 | 34,908 | 10,289 | 7,133 | | 5,000 | 2,678 | 78,127 | 4,044 | 298 | 0 | 228 | 90,375 | 73,979 | 164,354 |
| Non Schools | | | | | | | | | | | | | | | | | | |
| Barnwood Residential Home | 996 | 617 | 340 | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 146 | 233 | 0 | 0 | 0 | 379 | 617 | 996 |
| Southfields Semi-Independent Accommm | 3,464 | 15 | 0 | 1,500 | 1,949 | 0 | 0 | 0 | 0 | 0 | 0 | 2,464 | 985 | 0 | 0 | 3,449 | 15 | 3,464 |
| Townsend House | 2,500 | 0 | 0 | 800 | 1,700 | 0 | 0 | 0 | 0 | 0 | 0 | 2,500 | 0 | 0 | 0 | 2,500 | 0 | 2,500 |
| Rowan Tree House refurbishment | 670 | 167 | 503 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 250 | 0 | 3 | 503 | 167 | 670 |
| London Road | 1,691 | 0 | 1,200 | 491 | 0 | 0 | 0 | 0 | 0 | 0 | 891 | 800 | 0 | 0 | 0 | 1,691 | 0 | 1,691 |
| 95 Bisley Old Road | 278 | 0 | 50 | 228 | 0 | 0 | 0 | 0 | 0 | 0 | 278 | 0 | 0 | 0 | 0 | 278 | 0 | 278 |
| 55a Redwell Road | 307 | 0 | 50 | 257 | 0 | 0 | 0 | 0 | 0 | 0 | 307 | 0 | 0 | 0 | 0 | 307 | 0 | 307 |
| Schemes under £250,000 23/24 onwards | 861 | 810 | 18 | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 51 | 0 | 0 | 0 | 0 | 51 | 810 | 861 |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | |
| Childrens Homes Sufficiency | 1,568 | 0 | 0 | 978 | 590 | 0 | 0 | 0 | 0 | 0 | 0 | 1,568 | 0 | 0 | 0 | 1,568 | 0 | 1,568 |
| Total Non Schools | 12,335 | 1,609 | 2,161 | 4,326 | 4,239 | 0 | 0 | | 0 | 0 | 1,923 | 7,565 | 1,235 | 0 | 3 | 10,726 | 1,609 | 12,335 |
| Transport & Highways | | | | | | | | | | | | | | | | | | |
| PROW Capital Bridges - MTFS 2020-21 | 752 | 428 | 174 | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 324 | 0 | 0 | 0 | 0 | 324 | 428 | 752 |
| PROW Connecting Parishes - Nat HiWys | 430 | 0 | 171 | 259 | 0 | 0 | 0 | 0 | 0 | 0 | 430 | 0 | 0 | 0 | 0 | 430 | 0 | 430 |
| A435 Charlton Hill Cheltenham Phase 2 | 4,072 | 884 | 2,373 | 815 | 0 | 0 | 0 | 0 | 0 | 0 | 2,518 | 670 | 0 | 0 | 0 | 3,188 | 884 | 4,072 |
| Badgworth Road (Reddings Bridge) Slip | 650 | 192 | 168 | 290 | 0 | 0 | 0 | 0 | 0 | 0 | 458 | 0 | 0 | 0 | 0 | 458 | 192 | 650 |
| B4063 Gloucester to Chelt Cycle Route | 23,748 | 8,865 | 8,483 | 4,700 | 1,700 | 0 | 0 | 0 | 2,490 | 0 | 9,500 | 2,650 | 0 | 0 | 243 | 14,883 | 8,865 | 23,748 |
| Gloucester City Centre - Cycle Spine | 11,483 | 563 | 1,374 | 7,817 | 1,729 | 0 | 0 | 0 | 0 | 0 | 10,850 | 0 | 0 | 0 | 70 | 10,920 | 563 | 11,483 |
| Gloucester to Stroud Cycle Link | 621 | 0 | 458 | 163 | 0 | 0 | 0 | 0 | 0 | 0 | 322 | 200 | 0 | 0 | 100 | 622 | 0 | 622 |
| Cheltenham Town Centre Cycle Link | 555 | 0 | 444 | 111 | 0 | 0 | 0 | 0 | 0 | 0 | 155 | 300 | 0 | 0 | 100 | 555 | 0 | 555 |
| BSIP Bus Infrastructure | 2,600 | 0 | 0 | 1,000 | 800 | 400 | 400 | 0 | 0 | 0 | 0 | 2,600 | 0 | 0 | 0 | 2,600 | 0 | 2,600 |
| Bus Shelters - MTFS Bid 22-23 | 315 | 0 | 0 | 170 | 75 | 70 | 0 | 0 | 0 | 0 | 0 | 315 | 0 | 0 | 0 | 315 | 0 | 315 |
| Bus Electrification - MTFS 23-24 | 1,500 | 0 | 0 | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | 0 | 0 | 0 | 1,500 | 0 | 1,500 |
| Bus Interchange Hubs - MTFS 23-24 | 1,200 | 0 | 45 | 530 | 425 | 200 | 0 | 0 | 0 | 0 | 0 | 1,200 | 0 | 0 | 0 | 1,200 | 0 | 1,200 |
| ANPR Enforcement Camera Replacement | 280 | 0 | 100 | 80 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 280 | 0 | 0 | 0 | 280 | 0 | 280 |
| Highways Locals Capital 2023-24 | 962 | 0 | 0 | 962 | 0 | 0 | 0 | 0 | 0 | 0 | 387 | 530 | 0 | 0 | 45 | 962 | 0 | 962 |
| Flood & Water Management Act | 280 | 15 | 0 | 115 | 75 | 75 | 0 | 0 | 204 | 0 | 61 | 0 | 0 | 0 | 0 | 265 | 15 | 280 |
| Coleford Flood Alleviation Project | 350 | 40 | 80 | 111 | 119 | 0 | 0 | 0 | 310 | 0 | 0 | 0 | 0 | 0 | 0 | 310 | 40 | 350 |
| Pittville Flood Alleviation Project | 450 | 117 | 50 | 283 | 0 | 0 | 0 | 0 | 333 | 0 | 0 | 0 | 0 | 0 | 0 | 333 | 117 | 450 |
| M5 Junction10 Improvement Schemes | 168,880 | 0 | 0 | 30,249 | 49,942 | 70,798 | 17,891 | 0 | 0 | 0 | 168,880 | 0 | 0 | 0 | 0 | 168,880 | 0 | 168,880 |
| M5 J10 Roundabout | 24,698 | 17,837 | 6,861 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,861 | 0 | 0 | 0 | 0 | 6,861 | 17,837 | 24,698 |
| West Cheltenham Link Road | 5,410 | 3,914 | 1,496 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,496 | 0 | 0 | 0 | 0 | 1,496 | 3,914 | 5,410 |
| A4019 Widening | 13,082 | 10,263 | 2,819 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,819 | 0 | 0 | 0 | 0 | 2,819 | 10,263 | 13,082 |
| Arls Court Park & Interchange | 35,483 | 6,092 | 23,979 | 5,412 | 0 | 0 | 0 | 0 | 4,000 | 0 | 25,391 | 0 | 0 | 0 | 0 | 29,391 | 6,092 | 35,483 |
| Coombe Hill Junction Improvement | 5,578 | 1,939 | 358 | 0 | 3,281 | 0 | 0 | 0 | 0 | 0 | 3,639 | 0 | 0 | 0 | 0 | 3,639 | 1,939 | 5,578 |
| Gloucester South West Bypass - Llanthony | 12,422 | 9,316 | 2,504 | 602 | 0 | 0 | 0 | 0 | 0 | 0 | 3,036 | 0 | 70 | 0 | 0 | 3,106 | 9,316 | 12,422 |
| Cheltenham to Bishops Cleeve Cycle Track | 13,797 | 788 | 1,865 | 7,077 | 3,000 | 1,067 | 0 | 0 | 0 | 5 | 11,343 | 1,661 | 0 | 0 | 0 | 13,009 | 788 | 13,797 |
| Honeybourne Cycle ext A40 Lansdown | 480 | 50 | 0 | 430 | 0 | 0 | 0 | 0 | 0 | 370 | 60 | 0 | 0 | 0 | 0 | 430 | 50 | 480 |
| Albert St Junction -Lydney Hiwy Strategy | 618 | 0 | 3 | 615 | 0 | 0 | 0 | 0 | 0 | 618 | 0 | 0 | 0 | 0 | 0 | 618 | 0 | 618 |
| Design Funds to Support Major Schemes | 1,745 | 0 | 0 | 1,745 | 0 | 0 | 0 | 0 | 104 | 0 | 1,641 | 0 | 0 | 0 | 0 | 1,745 | 0 | 1,745 |

| Capital Programme 2024/25 | | | | Budget | | | | Financing for Remaining Life (2023/24 onwards) | | | | | | | | | | | | |
|----------------------------------------------------|--------------|-------------|---------|---------|---------|---------|--------------|------------------------------------------------|---------|----------|-----------|---------|----------|---------|----------------|-------------|--------------|--|--|--|
| Scheme Name | Total Scheme | Prior Years | | | | | Future Years | Capital | S106 | External | External | Other | Other | Revenue | Total for | Prior Years | Funding of | | | |
| | Budget | Actuals | 2023/24 | 2024/25 | 2025/26 | 2026/27 | | Receipts | Contrib | Grant | Borrowing | Contrib | Reserves | Contrib | Remaining Life | Funding | Budget Total | | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| A438 / Shannon Way Junction | 307 | 0 | 23 | 284 | 0 | 0 | 0 | 0 | 307 | 0 | 0 | 0 | 0 | 0 | 307 | 0 | 307 | | | |
| LED Streetlighting Major Project | 20,975 | 19,690 | 50 | 404 | 831 | 0 | 0 | 1,285 | 0 | 0 | 0 | 0 | 0 | 0 | 1,285 | 19,690 | 20,975 | | | |
| StLight Column Structural Test & Repair | 1,765 | 1,005 | 380 | 380 | 0 | 0 | 0 | 0 | 0 | 760 | 0 | 0 | 0 | 0 | 760 | 1,005 | 1,765 | | | |
| StLight Column Replacement | 2,115 | 787 | 1,140 | 188 | 0 | 0 | 0 | 400 | 0 | 928 | 0 | 0 | 0 | 0 | 1,328 | 787 | 2,115 | | | |
| Tintern Wireworks Bridge - 575 | 2,373 | 1,957 | 416 | 0 | 0 | 0 | 0 | 0 | 0 | 51 | 0 | 365 | 0 | 0 | 416 | 1,957 | 2,373 | | | |
| Winchcombe Station Bridge 775 Bearings | 934 | 397 | 118 | 419 | 0 | 0 | 0 | 0 | 0 | 200 | 337 | 0 | 0 | 0 | 537 | 397 | 934 | | | |
| Bridges & Structures - Budget Only | 3,008 | 0 | 0 | 1,508 | 1,500 | 0 | 0 | 0 | 0 | 8 | 3,000 | 0 | 0 | 0 | 3,008 | 0 | 3,008 | | | |
| Bamfurlong Depot - BadgeworthTEWKS | 4,629 | 0 | 50 | 0 | 0 | 4,579 | 0 | 29 | 0 | 0 | 4,600 | 0 | 0 | 0 | 4,629 | 0 | 4,629 | | | |
| Hatherley Rd, Hatherley Ln, Reddings Rd | 477 | 66 | 264 | 147 | 0 | 0 | 0 | 50 | 361 | 0 | 0 | 0 | 0 | 0 | 411 | 66 | 477 | | | |
| Road Safety Capital Investment - Budget | 720 | 0 | 0 | 720 | 0 | 0 | 0 | 0 | 0 | 0 | 720 | 0 | 0 | 0 | 720 | 0 | 720 | | | |
| EV Charge Points - GCC sites & Fire Stns | 755 | 0 | 204 | 316 | 235 | 0 | 0 | 0 | 0 | 0 | 705 | 0 | 0 | 50 | 755 | 0 | 755 | | | |
| Drainage - Budget Only | 2,000 | 0 | 0 | 500 | 500 | 500 | 500 | 0 | 0 | 0 | 2,000 | 0 | 0 | 0 | 2,000 | 0 | 2,000 | | | |
| TS-003 - A38/A438 Ashchurch Rd Tewks | 250 | 0 | 10 | 240 | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 0 | 250 | 0 | 250 | | | |
| TS-104 - A40 London Rd Bath Rd Hales Rd | 250 | 0 | 10 | 240 | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 0 | 250 | 0 | 250 | | | |
| TS-116 - A40 Sandford Rd A46 Bath Rd | 250 | 0 | 10 | 240 | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 0 | 250 | 0 | 250 | | | |
| TS-143 -B4008 BristolRd MerlinDr Olympus | 250 | 0 | 250 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 0 | 250 | 0 | 250 | | | |
| TS-167 Eastern Avenue/Coney Hill Road | 257 | 7 | 150 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 250 | 7 | 257 | | | |
| Pelican Crossings - pole/head/pushbutton | 560 | 137 | 223 | 100 | 100 | 0 | 0 | 0 | 0 | 23 | 400 | 0 | 0 | 0 | 423 | 137 | 560 | | | |
| Traffic Monitoring Equipment | 500 | 0 | 0 | 375 | 125 | 0 | 0 | 0 | 0 | 0 | 500 | 0 | 0 | 0 | 500 | 0 | 500 | | | |
| Traffic Signals - Budget Only | 2,718 | 0 | 0 | 1,593 | 1,125 | 0 | 0 | 0 | 0 | 117 | 2,601 | 0 | 0 | 0 | 2,718 | 0 | 2,718 | | | |
| Local Patching MTFs 22/23 - West | 685 | 0 | 185 | 250 | 250 | 0 | 0 | 0 | 0 | 0 | 685 | 0 | 0 | 0 | 685 | 0 | 685 | | | |
| Local Patching MTFs 22/23 - South | 750 | 0 | 250 | 250 | 250 | 0 | 0 | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 750 | 0 | 750 | | | |
| Local Patching MTFs 22/23 - North | 750 | 0 | 250 | 250 | 250 | 0 | 0 | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 750 | 0 | 750 | | | |
| Local Patching MTFs 22/23 - East | 750 | 0 | 250 | 250 | 250 | 0 | 0 | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 750 | 0 | 750 | | | |
| Minor Works - Budget Only | 2,181 | 0 | 2,181 | 0 | 0 | 0 | 0 | 0 | 0 | 2,181 | 0 | 0 | 0 | 0 | 2,181 | 0 | 2,181 | | | |
| C'Ways - Class A Roads: Struct Maint | 7,292 | 0 | 7,292 | 0 | 0 | 0 | 0 | 0 | 0 | 7,292 | 0 | 0 | 0 | 0 | 7,292 | 0 | 7,292 | | | |
| C'Ways - Class B Roads: Struct Maint | 7,563 | 0 | 2,563 | 2,500 | 2,500 | 0 | 0 | 0 | 0 | 63 | 7,500 | 0 | 0 | 0 | 7,563 | 0 | 7,563 | | | |
| C'ways - Class 3 Roads: Struct Maint | 14,163 | 0 | 9,163 | 2,500 | 2,500 | 0 | 0 | 0 | 0 | 6,663 | 7,500 | 0 | 0 | 0 | 14,163 | 0 | 14,163 | | | |
| C'ways - Unclassified: Struct Maint | 15,289 | 0 | 4,789 | 6,500 | 4,000 | 0 | 0 | 0 | 0 | 289 | 15,000 | 0 | 0 | 0 | 15,289 | 0 | 15,289 | | | |
| High Street Cheltenham - Pedestrian Area | 1,162 | 519 | 0 | 427 | 216 | 0 | 0 | 0 | 0 | 643 | 0 | 0 | 0 | 0 | 643 | 519 | 1,162 | | | |
| Footways: Structural Maintenance | 749 | 0 | 749 | 0 | 0 | 0 | 0 | 0 | 0 | 649 | 100 | 0 | 0 | 0 | 749 | 0 | 749 | | | |
| Cycleways: Struct Maint - Budget Only | 673 | 0 | 0 | 673 | 0 | 0 | 0 | 0 | 0 | 673 | 0 | 0 | 0 | 0 | 673 | 0 | 673 | | | |
| Reactive Works - Budget Only | 3,160 | 0 | 3,160 | 0 | 0 | 0 | 0 | 0 | 0 | 3,160 | 0 | 0 | 0 | 0 | 3,160 | 0 | 3,160 | | | |
| Safety Fencing | 866 | 142 | 111 | 513 | 100 | 0 | 0 | 0 | 0 | 325 | 399 | 0 | 0 | 0 | 724 | 142 | 866 | | | |
| Bulk Lining and Studs - MTFs Bid 22-23+ | 1,018 | 212 | 306 | 250 | 250 | 0 | 0 | 0 | 0 | 0 | 797 | 0 | 0 | 9 | 806 | 212 | 1,018 | | | |
| Texture Blasting | 506 | 232 | 0 | 274 | 0 | 0 | 0 | 0 | 0 | 274 | 0 | 0 | 0 | 0 | 274 | 232 | 506 | | | |
| C'way & F'tway Design Time - Budget Only | 749 | 0 | 499 | 250 | 0 | 0 | 0 | 0 | 0 | 749 | 0 | 0 | 0 | 0 | 749 | 0 | 749 | | | |
| 3/210 Main Road Ruscombe | 365 | 0 | 365 | 0 | 0 | 0 | 0 | 0 | 0 | 365 | 0 | 0 | 0 | 0 | 365 | 0 | 365 | | | |
| 3/9027 The Park Cheltenham | 429 | 0 | 429 | 0 | 0 | 0 | 0 | 0 | 0 | 429 | 0 | 0 | 0 | 0 | 429 | 0 | 429 | | | |
| B4078 Evesham Road Toddington | 1,047 | 0 | 1,047 | 0 | 0 | 0 | 0 | 0 | 0 | 1,047 | 0 | 0 | 0 | 0 | 1,047 | 0 | 1,047 | | | |
| 3/126 Aston Magna to Batsford | 342 | 0 | 342 | 0 | 0 | 0 | 0 | 0 | 0 | 342 | 0 | 0 | 0 | 0 | 342 | 0 | 342 | | | |
| Schemes under £250,000 23/24 onwards | 99,440 | 80,187 | 11,937 | 6,910 | 250 | 156 | 0 | 929 | 1,988 | 9,412 | 5,913 | 558 | 86 | 366 | 19,252 | 80,187 | 99,439 | | | |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | | | |
| Traffic Signals 2024/25 (estimate) | 1,095 | 0 | 0 | 1,095 | 0 | 0 | 0 | 0 | 0 | 1,095 | 0 | 0 | 0 | 0 | 1,095 | 0 | 1,095 | | | |
| Slips 2024/25 (estimate) | 1,500 | 0 | 0 | 1,500 | 0 | 0 | 0 | 0 | 0 | 1,500 | 0 | 0 | 0 | 0 | 1,500 | 0 | 1,500 | | | |
| Large and Miscellaneous Schemes 2024/25 (estimate) | 100 | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 100 | 0 | 100 | | | |
| Parking 2024/25 (estimate) | 200 | 0 | 0 | 200 | 0 | 0 | 0 | 0 | 0 | 200 | 0 | 0 | 0 | 0 | 200 | 0 | 200 | | | |
| Public Transport Infrastructure 2024/25 (estimate) | 150 | 0 | 0 | 150 | 0 | 0 | 0 | 0 | 0 | 150 | 0 | 0 | 0 | 0 | 150 | 0 | 150 | | | |
| Cycle Infrastructure 2024/25 (estimate) | 100 | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 100 | 0 | 100 | | | |
| Safety Schemes 2024/25 (estimate) | 1,100 | 0 | 0 | 1,100 | 0 | 0 | 0 | 0 | 0 | 1,100 | 0 | 0 | 0 | 0 | 1,100 | 0 | 1,100 | | | |
| Accessibility & Community 2024/25 (estimate) | 250 | 0 | 0 | 250 | 0 | 0 | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 0 | 250 | 0 | 250 | | | |
| Highways Locals 2024/25 (estimate) | 530 | 0 | 0 | 530 | 0 | 0 | 0 | 0 | 0 | 400 | 0 | 0 | 0 | 130 | 530 | 0 | 530 | | | |
| Carriageway Struct Maint 2024/25 (estimate) | 18,789 | 0 | 0 | 18,789 | 0 | 0 | 0 | 0 | 0 | 18,789 | 0 | 0 | 0 | 0 | 18,789 | 0 | 18,789 | | | |
| Footway Maint 2024/25 (estimate) | 800 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 800 | 0 | 800 | | | |
| Cycleway Maint 2024/25 (estimate) | 750 | 0 | 0 | 750 | 0 | 0 | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 0 | 750 | 0 | 750 | | | |
| PROW resurfacing 2024/25 (estimate) | 25 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 25 | 0 | 25 | | | |
| Highway Safety Features 2024/25 (estimate) | 200 | 0 | 0 | 200 | 0 | 0 | 0 | 0 | 0 | 200 | 0 | 0 | 0 | 0 | 200 | 0 | 200 | | | |

| Capital Programme 2024/25 | Budget | | | | | | | Financing for Remaining Life (2023/24 onwards) | | | | | | | | | | |
|--------------------------------------------|--------------|-------------|---------|---------|---------|---------|--------------|------------------------------------------------|----------|----------|-----------|----------|----------|---------|----------------|-------------|--------------|--|
| Scheme Name | Total Scheme | Prior Years | | | | | Future Years | Capital | S106 | External | | Other | Other | Revenue | Total for | Prior Years | Funding of | |
| | Budget | Actuals | 2023/24 | 2024/25 | 2025/26 | 2026/27 | £000 | Receipts | External | Grant | Borrowing | External | Reserves | Contrib | Remaining Life | Funding | Budget Total | |
| | £000 | £000 | £000 | £000 | £000 | £000 | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Bridges and Walls 2024/25 (estimate) | 1,700 | 0 | 0 | 1,700 | 0 | 0 | 0 | 0 | 0 | 1,700 | 0 | 0 | 0 | 0 | 1,700 | 0 | 1,700 | |
| Street Lighting 2024/25 (estimate) | 800 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 800 | 0 | 800 | |
| Safety signs replacement - key routes | 800 | 0 | 0 | 160 | 160 | 160 | 320 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 800 | 0 | 800 | |
| Road Safety Engineering and Enforcement | 800 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 800 | 0 | 800 | |
| Vehicle Activated Sign replacement | 250 | 0 | 0 | 50 | 50 | 50 | 100 | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 250 | 0 | 250 | |
| Interchange Hub - Stroud Merrywalks | 200 | 0 | 0 | 200 | 0 | 0 | 0 | 0 | 0 | 0 | 200 | 0 | 0 | 0 | 200 | 0 | 200 | |
| Interchange Hub Roll out | 400 | 0 | 0 | 0 | 200 | 100 | 100 | 0 | 0 | 0 | 400 | 0 | 0 | 0 | 400 | 0 | 400 | |
| Highways Locals | 2,120 | 0 | 0 | 530 | 530 | 530 | 530 | 0 | 0 | 0 | 2,120 | 0 | 0 | 0 | 2,120 | 0 | 2,120 | |
| Keeping children safe on our roads | 100 | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 0 | 0 | 0 | 100 | 0 | 100 | |
| Total Transport & Highways | 570,222 | 166,641 | 102,971 | 124,666 | 77,418 | 78,685 | 19,841 | 10,134 | 3,649 | 315,773 | 71,833 | 993 | 86 | 1,113 | 403,581 | 166,641 | 570,222 | |
| | | | | | | | | | | | | | | | | | | |
| Planning & Economic Development | | | | | | | | | | | | | | | | | | |
| Strategic Transport Model 2023-24-25 | 661 | 0 | 0 | 30 | 365 | 266 | 0 | 0 | 0 | 0 | 648 | 0 | 13 | 0 | 661 | 0 | 661 | |
| Fastershire Broadband Strategy | 13,699 | 8,606 | 2,126 | 2,967 | 0 | 0 | 0 | 5,093 | 0 | 0 | 0 | 0 | 0 | 0 | 5,093 | 8,606 | 13,699 | |
| Decarbonisation - Salix Budget Only | 1,000 | 0 | 0 | 500 | 500 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 0 | 1,000 | 0 | 1,000 | |
| Green Investment - Trees | 1,192 | 374 | 459 | 194 | 110 | 55 | 0 | 73 | 0 | 691 | 0 | 0 | 0 | 54 | 818 | 374 | 1,192 | |
| Schemes under £250,000 23/24 onwards | 685 | 580 | 83 | 13 | 9 | 0 | 0 | 0 | 4 | 67 | 0 | 0 | 34 | 0 | 105 | 580 | 685 | |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | |
| Natural Flood Defence scheme | 300 | 0 | 0 | 75 | 45 | 45 | 135 | 0 | 0 | 0 | 300 | 0 | 0 | 0 | 300 | 0 | 300 | |
| Increase funding for Lydney flood scheme | 25 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 25 | 0 | 0 | 0 | 25 | 0 | 25 | |
| Total Planning & Economic Development | 17,562 | 9,560 | 2,668 | 3,804 | 1,029 | 366 | 135 | 5,166 | 4 | 1,758 | 973 | 0 | 47 | 54 | 8,002 | 9,560 | 17,562 | |
| | | | | | | | | | | | | | | | | | | |
| Environment & Waste | | | | | | | | | | | | | | | | | | |
| Wingmoor Farm HRC (Bishop's Cleeve) | 989 | 29 | 960 | 0 | 0 | 0 | 0 | 559 | 0 | 0 | 0 | 0 | 150 | 251 | 960 | 29 | 989 | |
| Schemes under £250,000 23/24 onwards | 1,452 | 780 | 672 | 0 | 0 | 0 | 0 | 134 | 0 | 0 | 0 | 0 | 15 | 523 | 672 | 780 | 1,452 | |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | |
| HRC waste skip replacement programme | 448 | 0 | 0 | 265 | 132 | 51 | 0 | 0 | 0 | 0 | 448 | 0 | 0 | 0 | 448 | 0 | 448 | |
| Traveller site utility blocks | 984 | 0 | 0 | 246 | 246 | 246 | 246 | 0 | 0 | 0 | 984 | 0 | 0 | 0 | 984 | 0 | 984 | |
| Total Environment & Waste | 3,873 | 809 | 1,632 | 511 | 378 | 297 | 246 | 693 | 0 | 0 | 1,432 | 0 | 165 | 774 | 3,064 | 809 | 3,873 | |
| | | | | | | | | | | | | | | | | | | |
| Libraries & Registration | | | | | | | | | | | | | | | | | | |
| Libraries Customer Programme | 1,588 | 1,037 | 117 | 434 | 0 | 0 | 0 | 551 | 0 | 0 | 0 | 0 | 0 | 0 | 551 | 1,037 | 1,588 | |
| Stroud Library Furniture & Equipment | 331 | 51 | 280 | 0 | 0 | 0 | 0 | 0 | 81 | 0 | 199 | 0 | 0 | 0 | 280 | 51 | 331 | |
| Schemes under £250,000 23/24 onwards | 2,472 | 1,175 | 562 | 735 | 0 | 0 | 0 | 43 | 1,215 | 29 | 10 | 0 | 0 | 0 | 1,297 | 1,175 | 2,472 | |
| Total Libraries & Registration | 4,391 | 2,263 | 959 | 1,169 | 0 | 0 | 0 | 594 | 1,296 | 29 | 209 | 0 | 0 | 0 | 2,128 | 2,263 | 4,391 | |
| | | | | | | | | | | | | | | | | | | |
| Fire & Rescue Service | | | | | | | | | | | | | | | | | | |
| Fire Appliances & Equipment | 3,500 | 0 | 0 | 2,317 | 1,183 | 0 | 0 | 3,500 | 0 | 0 | 0 | 0 | 0 | 0 | 3,500 | 0 | 3,500 | |
| PPE for Specialist Operations | 289 | 3 | 286 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 286 | 0 | 0 | 0 | 286 | 3 | 289 | |
| Incident Command Unit Vehicle-MTFS 22-23 | 350 | 0 | 0 | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 350 | 0 | 0 | 0 | 350 | 0 | 350 | |
| Aerial Ladder Platform - MTFS 22-23 | 750 | 0 | 0 | 750 | 0 | 0 | 0 | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 750 | 0 | 750 | |
| 26 Small Combi EV Van/Cars - MTFS 22-23 | 650 | 0 | 0 | 325 | 325 | 0 | 0 | 0 | 0 | 0 | 650 | 0 | 0 | 0 | 650 | 0 | 650 | |
| Stroud Community F&R Station Access | 416 | 0 | 100 | 316 | 0 | 0 | 0 | 0 | 0 | 0 | 416 | 0 | 0 | 0 | 416 | 0 | 416 | |
| Schemes under £250,000 23/24 onwards | 1,615 | 337 | 245 | 1,017 | 16 | 0 | 0 | 266 | 0 | 0 | 1,012 | 0 | 0 | 0 | 1,278 | 337 | 1,615 | |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | |
| GFRS Boat Fleet incl. trailers & vehicles | 312 | 0 | 0 | 112 | 200 | 0 | 0 | 0 | 0 | 0 | 312 | 0 | 0 | 0 | 312 | 0 | 312 | |
| GFRS Environmental Protection Unit | 160 | 0 | 0 | 0 | 160 | 0 | 0 | 0 | 0 | 0 | 160 | 0 | 0 | 0 | 160 | 0 | 160 | |
| 10 GFRS front line pumping units | 3,994 | 0 | 0 | 0 | 1,158 | 2,836 | 0 | 0 | 0 | 0 | 3,994 | 0 | 0 | 0 | 3,994 | 0 | 3,994 | |
| Thermal Imaging Cameras & equipment | 130 | 0 | 0 | 130 | 0 | 0 | 0 | 0 | 0 | 0 | 130 | 0 | 0 | 0 | 130 | 0 | 130 | |
| Total Fire & Rescue Service | 12,166 | 340 | 631 | 5,317 | 3,042 | 2,836 | 0 | 3,766 | 0 | 0 | 8,060 | 0 | 0 | 0 | 11,826 | 340 | 12,166 | |

| Capital Programme 2024/25 | Budget | | | | | | | Financing for Remaining Life (2023/24 onwards) | | | | | | | Revenue Contrib | Total for Remaining Life | Prior Years Funding | Funding of Budget Total |
|--------------------------------------------|--------------|-------------|---------|---------|---------|---------|--------------|------------------------------------------------|-----------------------|----------------|-----------|------------------------|----------------|------|-----------------|--------------------------|---------------------|-------------------------|
| Scheme Name | Total Scheme | Prior Years | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Future Years | Capital Receipts | S106 External Contrib | External Grant | Borrowing | Other External Contrib | Other Reserves | | | | | |
| | Budget | Actuals | | | | | | | | | | | | £000 | | | | |
| Asset Management & Property Services | | | | | | | | | | | | | | | | | | |
| Area Based Review | 1,758 | 0 | 200 | 1,558 | 0 | 0 | 0 | 445 | 0 | 5 | 1,308 | 0 | 0 | 0 | 1,758 | 0 | 1,758 | |
| Locality Solutions (Stroud) | 345 | 22 | 323 | 0 | 0 | 0 | 0 | 323 | 0 | 0 | 0 | 0 | 0 | 0 | 323 | 22 | 345 | |
| Refurbishment of Service Properties | 577 | 0 | 100 | 200 | 277 | 0 | 0 | 475 | 0 | 102 | 0 | 0 | 0 | 0 | 577 | 0 | 577 | |
| Cotswold Hub - Lewis Lane | 1,288 | 89 | 1,109 | 90 | 0 | 0 | 0 | 489 | 0 | 0 | 710 | 0 | 0 | 0 | 1,199 | 89 | 1,288 | |
| Quayside - Health Hub | 16,285 | 15,556 | 729 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 729 | 0 | 0 | 0 | 729 | 15,556 | 16,285 | |
| Quayside - Multi-Storey Car Park | 7,550 | 1 | 300 | 0 | 7,249 | 0 | 0 | 0 | 0 | 0 | 7,549 | 0 | 0 | 0 | 7,549 | 1 | 7,550 | |
| Coroners Court Refrigeration Replacement | 449 | 101 | 10 | 116 | 116 | 106 | 0 | 348 | 0 | 0 | 0 | 0 | 0 | 0 | 348 | 101 | 449 | |
| County Offices Chelt - Refurb & Reconfig | 7,712 | 17 | 20 | 480 | 7,195 | 0 | 0 | 0 | 0 | 0 | 7,695 | 0 | 0 | 0 | 7,695 | 17 | 7,712 | |
| Social Care Service Remodelling | 1,900 | 69 | 300 | 1,531 | 0 | 0 | 0 | 0 | 0 | 0 | 1,831 | 0 | 0 | 0 | 1,831 | 69 | 1,900 | |
| M&E - Corp Prop Condition Data Works | 1,943 | 332 | 361 | 750 | 500 | 0 | 0 | 1,611 | 0 | 750 | 0 | 0 | 0 | 0 | 1,611 | 332 | 1,943 | |
| Agile Working Buildings | 1,320 | 377 | 420 | 523 | 0 | 0 | 0 | 0 | 0 | 0 | 943 | 0 | 0 | 0 | 943 | 377 | 1,320 | |
| Non Highways Bridges & Structures | 3,300 | 0 | 150 | 650 | 1,500 | 1,000 | 0 | 0 | 0 | 0 | 3,300 | 0 | 0 | 0 | 3,300 | 0 | 3,300 | |
| Quayside - Diagnostics Hub | 4,516 | 1,065 | 3,451 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,451 | 0 | 0 | 3,451 | 1,065 | 4,516 | |
| Stroud Library Building Infrastructure | 681 | 288 | 393 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 393 | 0 | 0 | 0 | 393 | 288 | 681 | |
| Corporate Property - Condition | 2,252 | 0 | 1,153 | 732 | 242 | 125 | 0 | 0 | 0 | 0 | 2,252 | 0 | 0 | 0 | 2,252 | 0 | 2,252 | |
| Corporate Property-Equalities Act Requir | 976 | 0 | 199 | 259 | 259 | 259 | 0 | 0 | 0 | 0 | 976 | 0 | 0 | 0 | 976 | 0 | 976 | |
| Power Supply & LED Lighting Upgrades | 325 | 0 | 125 | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 325 | 0 | 0 | 0 | 325 | 0 | 325 | |
| Boiler Replacement Scheme | 500 | 0 | 130 | 270 | 100 | 0 | 0 | 0 | 0 | 0 | 500 | 0 | 0 | 0 | 500 | 0 | 500 | |
| Rural Estate - Investment to enhance CA | 3,665 | 0 | 200 | 1,080 | 1,700 | 685 | 0 | 0 | 0 | 0 | 3,665 | 0 | 0 | 0 | 3,665 | 0 | 3,665 | |
| Schemes under £250,000 23/24 onwards | 6,626 | 5,349 | 1,071 | 121 | 85 | 0 | 0 | 572 | 0 | 0 | 480 | 225 | 0 | 0 | 1,277 | 5,349 | 6,626 | |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | |
| Large building maintenance projects | 1,025 | 0 | 0 | 188 | 310 | 372 | 155 | 0 | 0 | 0 | 1,025 | 0 | 0 | 0 | 1,025 | 0 | 1,025 | |
| Area Based Review | 800 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 800 | 0 | 800 | |
| Rain Garden Installation | 300 | 0 | 0 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 300 | 0 | 300 | 0 | 300 | |
| Total Asset Management & Property Services | 66,093 | 23,266 | 10,744 | 9,748 | 19,633 | 2,547 | 155 | 4,263 | 0 | 107 | 34,481 | 3,676 | 300 | 0 | 42,827 | 23,266 | 66,093 | |
| ICT Projects | | | | | | | | | | | | | | | | | | |
| End User Hardware | 7,130 | 678 | 2,413 | 1,613 | 1,613 | 813 | 0 | 6,452 | 0 | 0 | 0 | 0 | 0 | 0 | 6,452 | 678 | 7,130 | |
| LAN / WAN | 5,510 | 3,016 | 850 | 822 | 822 | 0 | 0 | 2,494 | 0 | 0 | 0 | 0 | 0 | 0 | 2,494 | 3,016 | 5,510 | |
| Schemes under £250,000 23/24 onwards | 2,231 | 1,543 | 320 | 259 | 57 | 52 | 0 | 522 | 0 | 0 | 166 | 0 | 0 | 0 | 688 | 1,543 | 2,231 | |
| New Funding 2024/25 onwards | | | | | | | | | | | | | | | | | | |
| Data Centre | 695 | 0 | 0 | 695 | 0 | 0 | 0 | 0 | 0 | 0 | 695 | 0 | 0 | 0 | 695 | 0 | 695 | |
| Server OS Updates - upgrade MS Windows | 432 | 0 | 0 | 432 | 0 | 0 | 0 | 0 | 0 | 0 | 432 | 0 | 0 | 0 | 432 | 0 | 432 | |
| WAN/LAN connection upgrades | 2,646 | 0 | 0 | 0 | 0 | 1,323 | 1,323 | 0 | 0 | 0 | 2,646 | 0 | 0 | 0 | 2,646 | 0 | 2,646 | |
| Total ICT Projects | 18,644 | 5,237 | 3,583 | 3,821 | 2,492 | 2,188 | 1,323 | 9,468 | 0 | 0 | 3,939 | 0 | 0 | 0 | 13,407 | 5,237 | 18,644 | |
| Business Service Centre | | | | | | | | | | | | | | | | | | |
| Schemes under £250,000 23/24 onwards | 240 | 95 | 145 | 0 | 0 | 0 | 0 | 145 | 0 | 0 | 0 | 0 | 0 | 0 | 145 | 95 | 240 | |
| Total Business Service Centre | 240 | 95 | 145 | 0 | 0 | 0 | 0 | 145 | 0 | 0 | 0 | 0 | 0 | 0 | 145 | 95 | 240 | |
| Archives & Information Management | | | | | | | | | | | | | | | | | | |
| Schemes under £250,000 23/24 onwards | 57 | 27 | 30 | 0 | 0 | 0 | 0 | 18 | 0 | 0 | 0 | 0 | 12 | 0 | 30 | 27 | 57 | |
| Total Archives & Information Management | 57 | 27 | 30 | 0 | 0 | 0 | 0 | 18 | 0 | 0 | 0 | 0 | 12 | 0 | 30 | 27 | 57 | |
| Digital Innovation (Customer) | | | | | | | | | | | | | | | | | | |
| Schemes under £250,000 23/24 onwards | 20 | 0 | 20 | 0 | 0 | 0 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 0 | 20 | |
| Total Digital Innovation (Customer) | 20 | 0 | 20 | 0 | 0 | 0 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 0 | 20 | |
| Investment and Transformation Fund | | | | | | | | | | | | | | | | | | |
| Investment and Transformation Fund | 47,200 | 0 | 1,000 | 10,300 | 12,300 | 12,300 | 11,300 | 0 | 0 | 0 | 47,200 | 0 | 0 | 0 | 47,200 | 0 | 47,200 | |
| Total Investment & Transformation Fund | 47,200 | 0 | 1,000 | 10,300 | 12,300 | 12,300 | 11,300 | 0 | 0 | 0 | 47,200 | 0 | 0 | 0 | 47,200 | 0 | 47,200 | |

Annex 8b

| Capital Programme - New Schemes 2024/25 onwards funded from borrowing & reserves | | | | | | |
|----------------------------------------------------------------------------------|--------------------------|--------------|--------------|--------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scheme Name | Total Scheme Budget £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | Future Years £000 | Scheme Description |
| Children's Services | | | | | | |
| Childrens Homes Sufficiency | 1,568 | 978 | 590 | 0 | 0 | Ongoing building works & furnishing 4 properties. |
| Schools Solar Fund | 2,000 | 2,000 | 0 | 0 | 0 | An investment fund to install solar panels at schools in the county to decrease carbon emissions and school energy bills. |
| Children's Services Total | 3,568 | 2,978 | 590 | 0 | 0 | |
| Economy, Environment & Infrastructure | | | | | | |
| Vehicle activated sign replacement | 250 | 50 | 50 | 50 | 100 | GCC currently own approximately 200 vehicle activated signs that require replacing over time as they expire. Signs can be damaged due to accidents and the replacement costs are not always covered through insurance as well as signs naturally expiring over time. |
| Safety signs replacement - key routes | 800 | 160 | 160 | 160 | 320 | Safety maintenance - programmed sign replacement on key routes across the county. The programme will need to be aligned to the road safety programme currently being worked through. |
| Road Safety Engineering and Enforcement | 800 | 800 | 0 | 0 | 0 | Road Safety Schemes (Engineering Works and Enforcement Cameras) – this is an extra allocation in addition to the £1.1 million already in the approved capital programme to fund further road safety schemes at key sites across the County. |
| Interchange Hub - Stroud Merrywalks | 200 | 200 | 0 | 0 | 0 | Further to GCC's commitment in the adopted LTP (Policy LTP PD 1.6), the interchange hubs strategy is now nearing completion. Transport Interchange Hubs will provide connectivity with urban, inter-urban and rural communities, link demand responsive services such as community transport with public transport and active travel opportunities for improved connectivity to a wider transport user groups. |
| Interchange Hub Roll out | 400 | 0 | 200 | 100 | 100 | |
| Household Recycling Centre waste skip replacement | 448 | 265 | 132 | 51 | 0 | Includes replacement of aging skip fleet that are beyond routine refurbishment and support the council to fulfil its statutory duty as a Waste Disposal Authority. |
| Traveller site utility blocks | 984 | 246 | 246 | 246 | 246 | Replacement of dilapidated utility blocks, where families are using metal containers with bathrooms and kitchens in that are beyond repair. Building of 7 utility blocks and 1 community hub room to deliver GCC health services from. |
| Highways Locals | 2,120 | 530 | 530 | 530 | 530 | The RCCO revenue saving is taken however replaced with a capital growth bid with a net nil impact on Highways Locals budgets. |
| Natural Flood Defence scheme | 300 | 75 | 45 | 45 | 135 | Highways-related and peri-urban natural flood management schemes |
| Keeping children safe on our roads | 100 | 100 | 0 | 0 | 0 | A £100,000 revenue and £100,000 capital pot to implement safety improvements at pick up and drop off around schools. |
| Increase funding for Lydney flood scheme | 25 | 25 | 0 | 0 | 0 | Additional capital to expand the ongoing flood alleviation scheme in the Lyd and Cannop catchments, augmenting the partnership funding score for the Flood Defence Grant in Aid outline business case. |
| Economy, Environment & Infrastructure Total | 6,427 | 2,451 | 1,363 | 1,182 | 1,431 | |

| Scheme Name | Total Scheme Budget £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | Future Years £000 | Scheme Description |
|------------------------------------------------------------------------|--------------------------|--------------|--------------|--------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fire & Rescue Service | | | | | | |
| Replacement of Boat Fleet including trailers & vehicles | 312 | 112 | 200 | 0 | 0 | Replacement of ageing Response Boat Fleet including towing trailers and boat deploying vehicles due to the growing risk of failure passing their agreed maintenance lifespan. Replacing 6 boats with 4 each with a trailer and 2 vehicles. |
| Replacement of Environmental Protection Unit | 160 | 0 | 160 | 0 | 0 | The Environmental Protection Unit has exceeded its operational life as per manufacturers guidance and GCC Corporate Fleet Unit's vehicle policy. |
| Replacement of 10 front line pumping units. | 3,994 | 0 | 1,158 | 2,836 | 0 | There is a need for 20 new units over the next 5 years to maintain an effective operational resource. The vehicles identified for replacement will be above the NFCC recommended life cycle of 12 years and above the accepted extended life of 15 years. |
| Thermal Imaging Cameras and associated support equipment | 130 | 130 | 0 | 0 | 0 | Refresh of Thermal imaging cameras and associated support equipment to help keep our firefighters safe whilst serving our communities |
| Fire & Rescue Service Total | 4,596 | 242 | 1,518 | 2,836 | 0 | |
| Corporate Resources | | | | | | |
| Large building maintenance projects | 1,025 | 188 | 310 | 372 | 155 | Various large scale maintenance works including replacement of fire escapes, replacement curtain walling, upgrade kitchens and removal of drill towers |
| Data Centre | 695 | 695 | 0 | 0 | 0 | Server & storage replacements |
| Server OS Updates - upgrade to the new windows server operating system | 432 | 432 | 0 | 0 | 0 | Maintain servers on supported database and operating systems |
| WAN/LAN connection upgrades | 2,646 | 0 | 0 | 1,323 | 1,323 | Maintaining the computer network installed from 2020 |
| Area Based Review | 800 | 800 | 0 | 0 | 0 | Additional funding to complete Area Based Reviews |
| Rain Garden Installation | 300 | 300 | 0 | 0 | 0 | Installations at locations that can act as sustainable drainage by capturing roof water and other 'clean' surface water and diverting this from the drainage system. |
| Investment and Transformation Fund | -2,000 | -2,000 | 0 | 0 | 0 | Transfer to Schools Solar Fund |
| Corporate Resources Total | 5,598 | 415 | 310 | 1,695 | 1,478 | |
| | | | | | | |
| Total New Schemes 2024/25 onwards | 18,989 | 6,586 | 3,781 | 5,713 | 2,909 | |

Annex 8c

New Funding Available 2024/25 Onwards (Excluding New MTFs Bids)

| Scheme Name | Budget | | | | | Funding | | Funding of Budget Total £000 |
|----------------------------------------------------|-----------------------------|-----------------|-----------------|-----------------|----------------------|------------------------|-------------------------|---------------------------------|
| | Total Scheme Budget £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | Future Years £000 | External Grant £000 | Revenue Contrib £000 | |
| | | | | | | | | |
| Summary by service area | | | | | | | | |
| Adults | 13,684 | 6,842 | 6,842 | 0 | 0 | 13,684 | 0 | 13,684 |
| Schools | 27,433 | 0 | 12,300 | 8,000 | 7,133 | 27,433 | 0 | 27,433 |
| Transport & Highways | 28,089 | 28,089 | 0 | 0 | 0 | 27,959 | 130 | 28,089 |
| Total Capital Programme | 69,206 | 34,931 | 19,142 | 8,000 | 7,133 | 69,076 | 130 | 69,206 |
| | | | | | | | | |
| Adults | | | | | | | | |
| Disabled Facilities Grant 2024/25 | 6,842 | 6,842 | 0 | 0 | 0 | 6,842 | 0 | 6,842 |
| Disabled Facilities Grant 2025/26 (EST) | 6,842 | 0 | 6,842 | 0 | 0 | 6,842 | 0 | 6,842 |
| Total Adults | 13,684 | 6,842 | 6,842 | 0 | 0 | 13,684 | 0 | 13,684 |
| | | | | | | | | |
| Schools | | | | | | | | |
| Schools Condition Allocation 2024/25 (Estimate) | 4,300 | 0 | 4,300 | 0 | 0 | 4,300 | 0 | 4,300 |
| Basic Need Grant 2025/26 | 23,133 | 0 | 8,000 | 8,000 | 7,133 | 23,133 | 0 | 23,133 |
| Total Schools | 27,433 | 0 | 12,300 | 8,000 | 7,133 | 27,433 | 0 | 27,433 |
| | | | | | | | | |
| Transport & Highways | | | | | | | | |
| Traffic Signals 2024/25 (estimate) | 1,095 | 1,095 | 0 | 0 | 0 | 1,095 | 0 | 1,095 |
| Slips 2024/25 (estimate) | 1,500 | 1,500 | 0 | 0 | 0 | 1,500 | 0 | 1,500 |
| Large and Miscellaneous Schemes 2024/25 (estimate) | 100 | 100 | 0 | 0 | 0 | 100 | 0 | 100 |
| Parking 2024/25 (estimate) | 200 | 200 | 0 | 0 | 0 | 200 | 0 | 200 |
| Public Transport Infrastructure 2024/25 (estimate) | 150 | 150 | 0 | 0 | 0 | 150 | 0 | 150 |
| Cycle Infrastructure 2024/25 (estimate) | 100 | 100 | 0 | 0 | 0 | 100 | 0 | 100 |
| Safety Schemes 2024/25 (estimate) | 1,100 | 1,100 | 0 | 0 | 0 | 1,100 | 0 | 1,100 |
| Accessibility & Community 2024/25 (estimate) | 250 | 250 | 0 | 0 | 0 | 250 | 0 | 250 |
| Highways Locals 2024/25 (estimate) | 530 | 530 | 0 | 0 | 0 | 400 | 130 | 530 |
| Carriageway Struct Maint 2024/25 (estimate) | 18,789 | 18,789 | 0 | 0 | 0 | 18,789 | 0 | 18,789 |
| Footway Maint 2024/25 (estimate) | 800 | 800 | 0 | 0 | 0 | 800 | 0 | 800 |
| Cycleway Maint 2024/25 (estimate) | 750 | 750 | 0 | 0 | 0 | 750 | 0 | 750 |
| PROW resurfacing 2024/25 (estimate) | 25 | 25 | 0 | 0 | 0 | 25 | 0 | 25 |
| Highway Safety Features 2024/25 (estimate) | 200 | 200 | 0 | 0 | 0 | 200 | 0 | 200 |
| Bridges and Walls 2024/25 (estimate) | 1,700 | 1,700 | 0 | 0 | 0 | 1,700 | 0 | 1,700 |
| Street Lighting 2024/25 (estimate) | 800 | 800 | 0 | 0 | 0 | 800 | 0 | 800 |
| Total Transport & Highways | 28,089 | 28,089 | 0 | 0 | 0 | 27,959 | 130 | 28,089 |

Annex 9 Dedicated Schools Grant – Schools Funding Formula Allocations

| Schools and academies budget allocations before de-delegation | | | | | | |
|----------------------------------------------------------------------|---------------|-------------|--------------------|--------------------|--------------------|-------------------------|
| | Units | Rate | Primary | Secondary | Total | % of |
| | | £ | £ | £ | £ | delegated budget |
| Pupil led Factors: | | | | | | |
| Basic Entitlement Primary (Age Weighted Pupil Unit) | 47,165 | £3,585.30 | 169,100,675 | | 169,100,675 | 35.1% |
| Basic Entitlement KS3 (Age Weighted Pupil Unit) | 22,566 | £5,054.84 | | 114,064,992 | 114,064,992 | 23.7% |
| Basic Entitlement KS4 (Age Weighted Pupil Unit) | 14,240 | £5,698.02 | | 81,139,805 | 81,139,805 | 16.8% |
| Total AWPU (October 2022 pupils) | 83,971 | | 169,100,675 | 195,204,797 | 364,305,471 | 75.5% |
| Deprivation Primary (FSM ever 6) | 8,785 | £825.36 | 7,250,662 | | | 3.3% |
| Deprivation Secondary (FSM ever 6) | 7,052 | £1,207.85 | | 8,517,170 | 15,767,832 | |
| Deprivation Primary (FSM) | 8,584 | £493.20 | 4,233,576 | | | 1.6% |
| Deprivation Secondary (FSM) | 6,630 | £493.20 | | 3,269,732 | 7,503,309 | |
| IDACI F Primary | 4,445 | £236.54 | 1,051,317 | | | 0.4% |
| IDACI F Secondary | 3,194 | £342.22 | | 1,093,116 | 2,144,433 | |
| IDACI E Primary | 3,692 | £286.86 | 1,059,020 | | | 0.5% |
| IDACI E Secondary | 2,772 | £452.94 | | 1,255,440 | 2,314,460 | |
| IDACI D Primary | 1,304 | £447.91 | 584,181 | | | 0.2% |
| IDACI D Secondary | 963 | £634.12 | | 610,825 | 1,195,007 | |
| IDACI C Primary | 1,864 | £488.17 | 910,024 | | | 0.4% |
| IDACI C Secondary | 1,229 | £694.51 | | 853,348 | 1,763,372 | |
| IDACI B Primary | 1,732 | £518.37 | 897,680 | | | 0.4% |
| IDACI B Secondary | 1,134 | £744.84 | | 844,701 | 1,742,381 | |
| IDACI A Primary | 131 | £684.45 | 89,386 | | | 0.0% |
| IDACI A Secondary | 104 | £951.18 | | 99,375 | 188,760 | |
| Prior Attainment (Y1-6 Early Years Foundation Stage Profile) | 14,191 | £1,177.65 | 16,711,450 | | | 6.2% |
| Prior Attainment (Y7 - Y11 LPA) | 7,436 | £1,786.61 | | 13,285,740 | 29,997,190 | |
| English as Additional Language (3 year EAL) | 3,225 | £593.86 | 1,914,949 | | | 0.6% |
| English as Additional Language (3 year EAL) | 752 | £1,595.37 | | 1,199,225 | 3,114,174 | |
| Mobility Primary | 525 | £966.28 | 507,207 | | | 0.1% |
| Mobility Secondary | 53 | £1,389.03 | | 73,417 | 580,624 | |
| Total Pupil Led delegations | | | 204,310,127 | 226,306,887 | 430,617,014 | 89.3% |
| School Leds Factors: | | | | | | |
| | | £ | £ | £ | £ | |
| Lump Sum | 244 | £135,278.98 | 33,008,071 | | | 8.0% |
| Lump Sum | 41 | £135,278.98 | | 5,546,438 | 38,554,509 | 0.0% |
| Sparsity | 74 | £57,473.43 | 3,153,648 | | | 0.7% |
| Sparsity | 4 | £83,542.82 | | 164,022 | 3,317,670 | 0.0% |
| Total Other Formula factors | | | 36,161,719 | 5,710,461 | 41,872,180 | 8.7% |

| | | | | | | |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|---------------|
| Premises: | | | £ | £ | £ | |
| Split Sites | Based on eligibility | | 243,381 | 54,051 | 297,433 | 0.1% |
| Rates | Currently based on 24-25 NFF + adjustment to 23-24 rates and inflationary increases to 24-25 rates | | 3,212,142 | 1,440,210 | 4,652,353 | 1.0% |
| Exceptional Premises Factor - Rents | Based on 24/25 estimates | | 159,361 | 0 | 159,361 | 0.0% |
| Total Premises | | | 3,614,885 | 1,494,262 | 5,109,146 | 1.1% |
| Others Adjustments | Adjustment to 23-24 budget allocations | | 28,810 | 0 | 28,810 | 0.0% |
| Total budget allocations before MFG, minimum pupil funding uplift and de-delegation | | | 244,115,541 | 233,511,609 | 477,627,150 | 99.0% |
| Minimum Per Pupil Funding Uplift | | | £ | £ | £ | |
| Additional funding due to minimum per pupil funding (primary pupils) | 27 | £4,610 | 2,088,659 | | 2,088,659 | 0.4% |
| Additional funding due to minimum per pupil funding (Secondary schools with KS3 & KS4 pupils) | 10 | £5,995 | | 2,003,562 | 2,003,562 | 0.4% |
| Additional funding due to minimum per pupil funding (Secondary schools with KS3 pupils only) | 0 | £5,771 | | 0 | | |
| Additional funding due to minimum per pupil funding (Secondary schools with KS4 pupils only) | 0 | £6,331 | | 0 | 0 | 0.0% |
| Total Minimum Pupil Funding Uplift | | | 2,088,659 | 2,003,562 | 4,092,221 | 0.8% |
| Total budget allocations before MFG and De-delegations | | | 246,204,200 | 235,515,171 | 481,719,371 | 99.9% |
| Minimum Funding Guarantee | | | £ | £ | £ | |
| MFG protections | 0.50% | | 449,321 | 94,261 | 543,582 | 0.1% |
| Total Minimum Funding Guarantee | | | 449,321 | 94,261 | 543,582 | 0.1% |
| Total budget allocations after MFG, Minimum Per Pupil Funding Uplift but before De-delegations | | | 246,653,521 | 235,609,432 | 482,262,953 | 100.0% |
| Proposed de-delegation for maintained schools only (takes into account anticipated conversions by 4/1/24) | | | | | | |
| | Maintained Pupils | Rate | Primary | Secondary | Total | |
| | | £ | £ | £ | £ | |
| Targeted Intervention & Support Primary | 30,967 | £14.27 | 441,899 | | 464,449 | 0.1% |
| Targeted Intervention & Support Secondary | 4,510 | £5.00 | | 22,550 | | |
| Union Facilities Primary | 30,967 | £3.05 | 94,449 | | 94,449 | 0.0% |
| October Pupil Increases (above threshold) | 30,967 | £6.32 | 195,711 | | 195,711 | 0.0% |
| Education Functions Primary (statutory duties previously covered by ESG general duties) | 30,967 | £0.00 | 0 | | 0 | 0.0% |
| Education Functions Secondary (statutory duties previously covered by ESG general duties) | 4,510 | £0.00 | | 0 | 0 | 0.0% |
| Total de-delegation funds available to maintained schools | 35,477 | | 732,060 | 22,550 | 754,610 | 0.2% |
| Total budget allocations after MFG, Minimum Per Pupil Funding Uplift and De-delegations | | | 245,921,461 | 235,586,882 | 481,508,343 | 99.8% |

Treasury Management and Investment Strategy Statement 2024/25

Introduction

- 1 Treasury management is the management of GCC's cash flows, borrowing and investments, and the associated risks. GCC has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to GCC's prudent financial management.
- 2 Treasury risk management at GCC is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires GCC to approve a treasury management strategy before the start of each financial year. This report fulfils GCC's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 3 As per DLUHC guidance, investments held for service purposes or for commercial profit are considered separately within the Non-Treasury Investment Strategy section of this report.
- 4 In accordance with the guidance GCC is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. This includes:
 - An Annual Management Treasury Strategy, covering the Prudential and Treasury Indicators.
 - A mid-year treasury management review.
 - An annual treasury outturn report.

External Context

Economic background

- 5 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 GCC's treasury management strategy for 2024/25.
- 6 The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level in September and then again in November. 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%.
- 7 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.

- 8 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.
- 9 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.
- 10 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.
- 11 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.
- 12 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 Update

- 13 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.

- 14 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.
- 15 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 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.
- 16 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.
- 17 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.
- 18 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 (December 2023)

- 19 Although UK inflation and wage growth remain elevated, the Authority'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.
- 20 Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), 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.
- 21 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

Local Context and Capital Prudential Indicators

- 22 At 31st March 2023 GCC's underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), is £466.0 million, while balance sheet resources, which are the underlying resources available for investment, were £354.5 million.

- 23 As at 31st March 2023 GCC had £241.9 million of external borrowing, a £149.0 million lease liability (including PFI and the Waste liability) and £279.5 million of internal investments.
- 24 Appendix B provides a more detailed breakdown of the treasury borrowing and investing position.
- 25 In setting a balanced budget GCC must calculate its budget requirement for each financial year and include the revenue costs that come from capital expenditure and financing decision. Under the Local Government Act 2003 and the Prudential Code GCC must consider what is affordable, prudent and sustainable.
- 26 GCC's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members in their overview and consideration of capital expenditure plans both in terms of affordability and prudence. The key capital prudential indicators are shown below and are reported quarterly to Cabinet through the Performance Monitoring process.

Capital Expenditure and Financing:

- 27 GCC's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The Prudential Code recommends that total debt should be lower than its highest forecast CFR over the next three years. The table below shows that GCC expects to comply with this recommendation during 2024/25. Forecast changes in these sums are also shown.

| Balance Sheet Summary | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|---------------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund CFR | 466.004 | 483.441 | 524.073 | 567.298 | 577.327 |
| Less: Other debt liabilities | 149.087 | 145.075 | 141.002 | 136.583 | 132.136 |
| Loans CFR | 316.917 | 338.367 | 383.071 | 430.715 | 445.191 |
| Less: External borrowing | 241.940 | 233.778 | 217.278 | 217.278 | 217.278 |
| Internal (over) borrowing | 74.977 | 104.589 | 165.793 | 213.437 | 227.913 |
| Less: Balance Sheet Resources | 354.494 | 338.494 | 332.494 | 326.494 | 320.494 |
| (Investments) or New borrowing | (279.517) | (233.905) | (166.701) | (113.057) | (92.581) |

* leases and PFI liabilities that form part of GCC's total debt

** shows only loans to which GCC is committed and excludes optional refinancing

- 28 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. In 2024/25, the Budget set for General Fund planned capital expenditure is £198.8 million as shown in Annex 8 and summarised below.

| Estimates of Capital Expenditure | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|----------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund services | 122.771 | 154.929 | 198.794 | 162.281 | 109.508 |
| PFI and Finance Leases | 0.921 | 1.339 | 7.668 | 1.106 | 1.517 |
| TOTAL | 123.692 | 156.268 | 206.462 | 163.387 | 111.025 |

- 29 All capital expenditure must be financed, either from external sources (government grants and other contributions), GCC's own resources (revenue, reserves and capital receipts) or debt (including internal borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows.

| Financing the Capital Programme | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|---------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| External Sources | 92.961 | 113.970 | 128.267 | 95.302 | 76.528 |
| Internal Resources, Capital | 7.133 | 8.631 | 21.697 | 7.677 | 5.054 |
| Internal Resources, Revenue | 2.693 | 2.574 | 0.809 | 0.000 | 0.000 |
| Debt | 19.984 | 29.754 | 48.021 | 59.302 | 27.926 |
| Sub Total | 122.771 | 154.929 | 198.794 | 162.281 | 109.508 |
| PFI and Finance Leases | 0.921 | 1.339 | 7.668 | 1.106 | 1.517 |
| Total | 123.692 | 156.268 | 206.462 | 163.387 | 111.025 |

- 30 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as the minimum revenue provision (MRP) and leased PFI assets are financed via lease payments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP, PFI and lease payments are as follows (there are no plans to use capital receipts in this way at the current time).

| Replacement of Debt Finance | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|-----------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Minimum Revenue Provision | 7.580 | 8.565 | 9.556 | 11.659 | 13.450 |
| PFI and Finance Leases | 3.952 | 3.753 | 4.333 | 4.419 | 4.447 |
| Total | 11.532 | 12.317 | 13.889 | 16.077 | 17.897 |

- 31 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP payments and capital receipts used to replace debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

| Capital Financing Requirement | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|-------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund services | 316.917 | 338.367 | 383.071 | 430.715 | 445.191 |
| PFI and Finance Leases | 149.087 | 145.075 | 141.002 | 136.583 | 132.136 |
| TOTAL CFR | 466.004 | 483.441 | 524.073 | 567.298 | 577.327 |

- 32 Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £30.5 million of capital receipts in the coming financial year as follows.

| Capital receipts | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Asset sales | 10.017 | 8.775 | 30.528 | 7.455 | 3.750 |
| TOTAL | 10.017 | 8.775 | 30.528 | 7.455 | 3.750 |

- 33 Projected levels of the Council's total outstanding debt (which comprises borrowing, waste and PFI liabilities) are shown below, compared with the CFR. Statutory guidance is that debt should remain below the CFR, except in the short-term. As can be seen from the table below, GCC expects to comply with this in the medium to longer term.

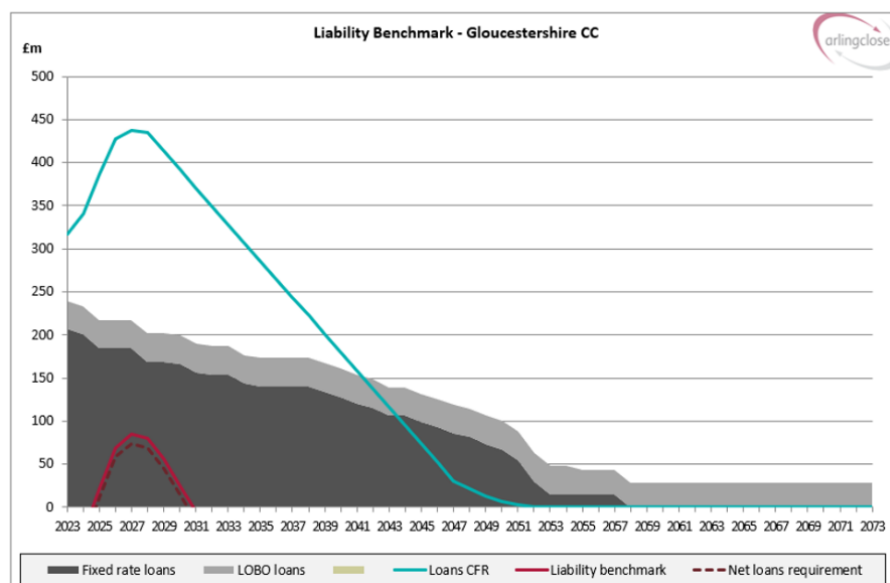
| Gross Debt and the Capital Financing Requirement | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|--------------------------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Debt (incl. Other Liabilities) | 388.865 | 378.853 | 358.280 | 353.861 | 349.414 |
| Capital Financing Requirement | 466.004 | 483.441 | 524.073 | 567.298 | 577.327 |

- 34 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP payments are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants. This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

| | 2022/23 Actual | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|-----------------------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Proportion of Financing Costs to Net Revenue Stream | 3.57% | 3.72% | 3.50% | 3.67% | 3.71% |

Liability benchmark

- 35 The Liability Benchmark is now a mandatory indicator that must be reviewed and presented as required under the Prudential Code. It compares actual borrowing against a benchmark, which is calculated showing the lowest level of borrowing required to keep investments at a minimum level. The result then represents the minimum amount of borrowing an authority must undertake to fund their capital expenditure.
- 36 The benchmark is an important tool to help establish whether GCC 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 GCC 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.
- 37 The benchmark calculated for GCC is shown graphically below. Based on latest information, it shows that the CFR repays debt before it needs to. If GCC had no additional investment balances / surplus cash during 2024/25, no additional borrowing would be required to support the capital programme as investment balances are sufficiently high. MRP could be revised to lengthen the loans CFR position, and this will be explored to determine whether it offers an opportunity to reduce revenue costs.



- 38 The graphical results are not unexpected as GCC expects to remain borrowed above its liability benchmark in the medium term. This is because there is a substantial historic debt portfolio. Over the past few years there have been no opportunities to mature debt early due to the premiums that would be incurred on the early repayment of this debt. Due to the rapidly changing interest rate environment this position has now changed and GCC is seeing opportunities to mature debt in a discounted position.
- 39 Despite having an increasing need to borrow as defined by the Loans CFR, GCC can manage the borrowing requirement using existing balance sheet resources (balances, reserves, cash flow surpluses). Therefore, GCC will continue to hold any new debt requirements internally. This new debt would only be externalised if it becomes uneconomical to hold it internally.

Borrowing Strategy

- 40 Due to decisions taken in the past, GCC is currently projected to have £233.8 million borrowing as at the end of March 2024 at an average interest rate of 4.60% and £266.7 million treasury investments at an average rate of 4.39%, projected as at the end of March 2024.
- 41 The total borrowing requirement at the end of 2023/24 is forecast to be £483.3 million (equivalent to the CFR). This is financed by historic external and a lease liability. GCC's aim is to both repay maturing debt, and where possible some of the existing debt when opportunities to do this arise. GCC also considers new borrowing where it can be shown to be prudent and financial beneficial to do so. In 2023/24 £8.0 million maturing external debt was repaid together with £8.0 million of fixed rate market loans, which were repaid when an opportunity arose in June 2023. £6.5 million is current forecast to be repaid in 2024/25, which are maturing PWLB loans.
- 42 GCC's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the

period for which funds are required. The flexibility to renegotiate loans should GCCs long-term plans change is a secondary objective.

- 43 Given the significant cuts to public expenditure and in particular to local government funding, GCCs borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Due to a rapidly changing interest rate environment the cost of borrowing has increased. Short-term interest rates are currently at a 15 year high but are expected to fall in the coming years. A detailed analysis of our borrowing requirement has been undertaken, and in the event that GCC needed to borrow it would still be more cost effective in the medium-term to either use internal resources, or to borrow short-term.
- 44 GCC is still able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk, despite a highly different interest rate environment to this time last year. The benefits of internal borrowing will continue to be monitored regularly, and opportunities for restructuring or repaying debt at a discount will continue to be explored. Arlingclose will continue to assist GCC with this analysis, and identification of discount opportunities.
- 45 GCC may borrow short-term loans (normally for up to six month) to cover unexpected cash flow shortages.

Limits to Borrowing Activity

- 46 GCC is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit. It is calculated with regard to GCC’s capital expenditure and financing plans detailed in Annex 8.

| Authorised limit and operational boundary | 2022/23 Limit £m | 2023/24 Limit £m | 2024/25 Limit £m | 2025/26 Limit £m | 2026/27 Limit £m |
|--------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Total Authorised Limit for Debt and Other Liabilities | 500.000 | 520.000 | 550.000 | 590.000 | 590.000 |
| Split: Debt | 350.913 | 358.425 | 392.498 | 436.917 | 441.364 |
| Other Liabilities | 149.087 | 161.575 | 157.502 | 153.083 | 148.636 |
| Total Operational Boundary for Debt | 480.000 | 500.000 | 530.000 | 570.000 | 570.000 |
| Split: Debt | 330.913 | 338.425 | 372.498 | 416.917 | 421.364 |
| Other Liabilities | 149.087 | 161.575 | 157.502 | 153.083 | 148.636 |

Sources of Borrowing and Portfolio Implications

- 47 GCC has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; GCC intends to avoid this activity in order to retain its access to PWLB loans.

48 The approved sources of long-term and short-term borrowing are:

- HM Treasury's Public Works Loan Board (PWLB) lending facility (PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; GCC intends to avoid this activity in order to retain its access to PWLB loans).
- UK Infrastructure Bank Ltd
- UK local authorities and any other UK public sector body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK.
- UK public and private sector pension funds (except Gloucestershire Pension Fund)
- capital market bond investors.
- retail investors via a regulated peer-to-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues.

49 Capital finance may also be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase.
- Private Finance Initiative
- sale and leaseback
- similar asset based finance.

50 GCC continues to investigate other sources of finance, such as local Council loans, the UK Municipal Bonds Agency and bank loans, that may be available at more favourable rates. The UK Municipal Bonds Agency is a more complicated source of finance so any decision to borrow from this source will be the subject of a separate report to Audit and Governance Committee.

51 GCC holds £33.050 million of Lender's Option Borrower's Option (LOBO) loans where the lender has the option to propose an increase in the interest rate as set dates, following which GCC has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBO's have options during 2024/25, and with interest rates having risen recently, there is now a good chance that lenders will exercise their options. If they do, GCC will take the option to repay LOBO loans to reduce refinancing risk in later years.

52 Short-term and variable rate loans leave GCC exposed to the risk of short-term interest rate rises and are therefore subject to interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see Financial Derivatives section below).

Debt Rescheduling

53 The PWLB allows authorities to repay loans before maturity and either pay a

premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. GCC was able to repay early £8 million of market loans with Barclays in June 2023. Our advisors, Arlingclose continue to explore opportunities to repay our LOBO loans with Dexia, and should an opportunity arise GCC may take advantage of this. Due to cashflow implications some loans matured may be replaced with new loans, or they may be repaid without replacement, particularly where this is expected to lead to an overall saving or reduction in risk. The recent rapid rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

- 54 Borrowing and rescheduling activity will be reported to the Audit and Governance Committee in the Annual Treasury Management Report, the Mid Year Report and any other treasury management reports presented to Audit & Governance Committee.

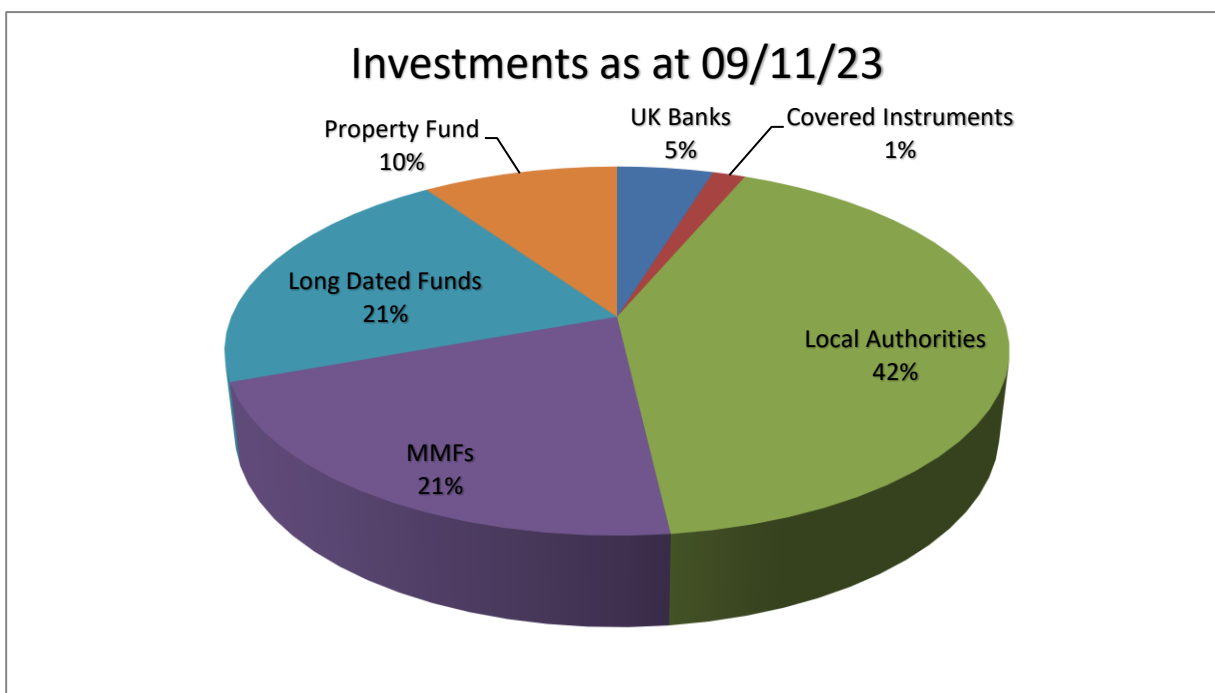
Treasury Investment Strategy

- 55 GCC holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2023/24 GCC's internal treasury investment balance has ranged between £256.4 million and £313.7 million. Balances are lower than prior years due to internal borrowing levels. Balances are expected to fall further as borrowing held internally increases.

| Treasury Management Investments | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|---------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Near-term investments | 186.2 | 245.1 | 229.1 | 223.1 | 217.1 |
| Longer-term investments | 93.3 | 93.3 | 103.3 | 103.3 | 103.3 |
| TOTAL | 279.5 | 338.5 | 332.5 | 326.5 | 320.5 |

- 56 Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy. GCC may request its money back at short notice, however the business model is to hold money in strategic pooled funds for the longer term, for a period of at least five years.
- 57 The CIPFA Code requires GCC 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. GCC's 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 receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, GCC 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. GCC aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 58 Market conditions have changed rapidly during 2023/24 with interest rates rising quickly and peaking at 5.25%. As GCC has been locked into historic fixed rate instruments, the portfolio has been limited with opportunities to capture higher rates

on offer from fixed investments, however the MMF investments have increased as these instruments have quickly increased their yields. GCC continues to favour having a well diversified portfolio and continues to seek opportunities to ensure security of cash over yield. The pie chart below shows how GCCs surplus cash is invested.



- 59 Under the IFRS 9 standard, the accounting for certain investments depends on GCC's "business model" for managing them. GCC aims to achieve value from its internally managed 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.
- 60 GCC money held in long dated funds and property funds (strategic pooled funds) is considered to be long term investments due to the fluctuations that occur in the underlying capital value of the deposits. GCC will hold these deposits for at least five years and will not mature these deposits unless the capital value is close to the original principal value deposited. All of the strategic pooled funds held provide regular dividend income to GCC.
- 61 GCC may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty), the time limits shown, and the Responsible Investment Policy incorporated as part of the Treasury Management Policies.

Table 2: Approved Investment Counterparties

| Sector | Time limit | Counterparty limit | Sector limit |
|-----------------------------------------------|------------|--------------------|--------------|
| The UK Government | 50 years | Unlimited | n/a |
| Local authorities & other government entities | 25 years | £15m | Unlimited |
| Secured investments * | 25 years | £30m | Unlimited |
| Banks (unsecured) * | 13 months | £15m | Unlimited |
| Building societies (unsecured) * | 13 months | £15m | £30m |
| Registered providers (unsecured) * | 5 years | £15m | £30m |
| Money market funds * | n/a | £30m / fund | Unlimited |
| Strategic pooled funds | n/a | £30m / fund | £150m |
| Real estate investment trusts | n/a | £30m | £30m |
| Other investments * | 5 years | £15m | £30m |

* Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-

62 Table 2 should be read in conjunction with the notes below:

- **Credit Rating:**

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 investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £100,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

- **Government:**

Loans, 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 Central Government may be made in unlimited amounts for up to 50 years.

- **Secured Investments:**

These investments are secured on the borrower's assets, which limits the potential losses in the event of insolvency. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- **Banks and Building Societies Unsecured:**

Accounts, deposits, certificates of deposit and senior unsecured bonds with

banks and building societies, other than multilateral development 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.

- **Registered Providers (unsecured):**
Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England). 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, GCC 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 offer enhanced returns over the longer term but are more volatile in the short term. These allow GCC 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 GCC's investment objectives will be monitored regularly. These accounts are treated as long term investments due to the variability of the capital value of the investment and will be held for a period of at least 5 years. Any new funds opened will need to be mindful of GCC's policies around fossil fuel, climate change and sustainable resources.
- **Real estate investment trusts:**
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, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.
- **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 GCC's investment at risk.
- **Operational bank accounts:**
GCC may incur operational exposures, for example through current accounts, and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will

therefore be kept to a minimum. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of GCC maintaining operational continuity.

Responsible Investment Policy, Environmental, Social and Governance Considerations (ESG)

- 63 Following the Motion agreed by Council in November 2019 the Council has developed and implemented a Responsible Investment Policy, which rules out new investments in pooled funds that invest in fossil fuel companies. It is acknowledged that some of the Fund investments taken out prior to this motion being passed do contain a small percentage of fossil fuel holdings (see paragraph 66 for details). However no new investment has been made in these funds or any other fund that contain fossil fuel holdings since the motion was passed.
- 64 The Code requires local authorities to consider their counterparty policies in light of ESG information, while recognising that there is not a developed approach to ESG for public sector organisations and not expecting authorities to use real-time ESG scoring / criteria for individual investments.
- 65 ESG issues are wide-ranging and non-standardised, however GCC aims to be a responsible investor and will consider ESG issues when investing. As such,
- We invest in a social housing REIT that provides high-standard, specialist properties which provide housing for some of society's most vulnerable people. Tenant groups include those with autism, learning disabilities as well as mental health struggles. This fund is also signed up to the UN Principles for Responsible Investment.
 - We invest in a responsible income fund which does not invest in companies which have fossil fuel reserves or are engaged in fossil fuel extraction.
 - We invest in an ethical bond fund which does not invest in companies which have fossil fuel reserves or are engaged in fossil fuel extraction.
 - We invest in a diversified income fund that has a significant exposure to wind / solar / renewable energy companies and is very active in promoting responsible investing.
 - All the banks that we hold investment balances with are signed up to the UN Principles for Responsible Banking.
 - All of our Pooled Strategic Funds (excluding our social housing REIT) and Money Market Funds are signed up to the UN Principles for Responsible Investment, the UK Stewardship Code 2020, and the Net-Zero Asset Managers Initiative.
 - The Council has a Climate Change Strategy, and more details can be found at the link below:
 - [Greener Gloucestershire climate dashboard | Gloucestershire County Council](#)
- 66 Several of our current strategic funds hold fossil fuel assets. An analysis has been undertaken during October 2023 to assess the extent of this exposure, and a summary is provided below:
- Aegon Global Diversified Income Fund - On a weighted basis around 2%

of the fund is invested in oil and gas exploration, production, refining, transportation. On a weighted basis around 3% of the fund invests in companies that generate electricity from gas and / or oil. There are further companies within the holdings that have very small percentages in products and services that support oil and gas exploration, production, refining, transportation and storage, or lease land to companies involved in the oil and gas industry.

- Columbia UK Equity Income Fund - 9.32% exposure to fossil fuels.
- Shroders Income Maximiser Fund – direct holdings in Shell (3.2%) and BP (2.8%).
- Ninety One Diversified Income Fund - very minor exposure through a few underlying securities where fossil fuel activities accounts for a small percentage of revenues. In terms of percentage at the total fund level, this would equate to less than 0.5%.

Risk assessment and credit ratings:

- 67 Credit ratings are obtained and monitored by GCC's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be,
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 68 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn 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.

Other information on the security of investments:

- 69 GCC understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be 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 GCC's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 70 Reputational aspects: GCC is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.
- 71 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, GCC 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 GCC's cash balances, then the surplus will be deposited with the UK Government or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

Investment Limits

- 72 GCC's holds general revenue reserves which would be available to cover investment losses. However, to limit this risk, in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £30.0 million. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries, and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Investment Limits

| | Cash limit |
|-----------------------------------------------------------|-------------------|
| Any group of pooled funds under the same management | £60m per manager |
| Negotiable instruments held in a broker's nominee account | £30m per broker |
| Foreign countries | £30m per country |

Liquidity management:

- 73 GCC uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of GCC being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to GCC's medium-term financial plan and cash flow forecast.
- 74 GCC will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

- 75 GCC measures and manages its exposures to treasury management risks using the following indicators.
- 76 **Security:** GCC has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating 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 each investment. Unrated investments are assigned a score based on their perceived risk.

| Credit risk indicator | Target |
|---------------------------------|--------|
| Portfolio average credit rating | A- |

- 77 **Liquidity:** GCC has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

| Liquidity risk indicator | Target |
|--------------------------------------|--------|
| Total cash available within 3 months | £50m |

- 78 **Interest rate exposures:** This indicator is set to control GCC's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

| Interest rate risk indicator | Limit |
|------------------------------------------------------------------------------|----------|
| Upper limit on one-year revenue impact of a 1% rise / fall in interest rates | £500,000 |

- 79 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.

- 80 **Maturity structure of borrowing:** This indicator is set to control GCC'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 | 25% | 0% |
| 12 months to 10 years | 50% | 0% |
| 10 years and above | 100% | 0% |

- 81 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.

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

| | 2022/23 Actual £m | 2023/24 Estimate £m | 2024/25 Estimate £m | 2025/26 Estimate £m | 2026/27 Estimate £m |
|---------------------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Limit on principal invested beyond year end | 93.349 | 150.000 | 160.000 | 170.000 | 180.000 |

- 83 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.

Non Treasury Investment Strategy

- 84 GCC invests its money for three broad purposes:
- because it has surplus cash as a result 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).
- 85 This section of the report is concerned with meeting the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories, service and commercial investments.
- 86 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.” GCC 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 GCC’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

Service Investments: Loans

- 87 GCC can lend money to support local public services and stimulate local economic growth. GCC does not currently have any service investments.

Service Investments: Shares

- 88 GCC holds shares costing £1 in Ubico Ltd. The fair value of GCC’s interest in the company at 31st March 2024 is considered to be nil, since it is a wholly local authority owned not-for-profit ‘Teckal’ company. As a ‘Teckal’ company it is treated as if it were an in-house department, and the shareholder councils are able to enter into service contracts with the company without undertaking an EU compliant procurement process.

Commercial Investments: Property

- 89 GCC has not invested in Commercial Property to date. Should GCC invest in property and in accordance with government guidance, GCC considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

- 90 GCC will assess the risk of loss before entering into and whilst holding property investments by producing a comprehensive business plan and monitoring performance on an ongoing basis.

Other Liabilities

- 91 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to GCC and are included here for completeness. GCC has guaranteed to cover the liabilities associated with the pensions of ex- employees following the transfers of council services to external bodies. These arrangements are monitored and assessed to ensure that any provision for possible liabilities are made and included within the Statement of Accounts.

Capacity, Skills and Culture

- 92 GCC provides training from our Treasury Management Advisors to members of the Audit and Governance Committee on an annual basis, to ensure that they are fully aware of the investments included in the Treasury Management Strategy and Investment Strategy. This ensures that members can take informed decisions on the investments being included in the strategy and have the opportunity to challenge their use to ensure that they fully understand the implications of the investment.
- 93 Where commercial deals are to be negotiated, Finance will be involved to ensure that the core principles of the prudential framework and of the regulatory regime within which local authorities operate is taken into account.

Other items

- 94 The CIPFA Code requires GCC to include the following in its treasury management strategy.

Financial Derivatives

- 95 The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 96 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).
- 97 GCC 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 the financial risks that GCC is exposed to. Additional risks presented, such

as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 98 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.
- 99 In line with the CIPFA Code, GCC 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

- 100 GCC has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it 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 GCC's treasury management activities, this is the most appropriate status.

2024/25 Minimum Revenue Provision Statement

- 101 Where GCC finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires GCC to have regard to MHCLG (now DLUHC) Guidance most recently issued in 2018.
- 102 The broad aim of the 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.
- 103 The Guidance requires GCC to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates the options recommended in the Guidance.
- 104 In line with Council policy on the repayment of debt, and with the continuation of capital grants by government, GCC has not borrowed externally to fund the capital programme since 2010. Debt rescheduling opportunities will be reviewed as they arise, and maturing debt will continue to be redeemed in full. Where opportunities present to repay LOBO's this will be managed through the cashflow and may increase the internally borrowed balance. Any repayments of internal borrowing will be by way of a voluntary revenue provision.

- 105 In order to ensure that the MRP charge remains prudent, GCC regularly reviews its Capital Financing Requirement. To reduce the amount of excess MRP set aside, GCC changed its policy for supported capital expenditure in 2015/16. The method used is similar to other local authorities and sets aside a fixed sum of MRP each year. For GCC the fixed sum is currently £6.2 million. This charge still allows for a prudent provision for the repayment of existing debt and ensures that Prudential Indicators are not breached.
- 106 The asset life of capital assets obtained through the capital programme will form the basis of calculating an annual MRP provision for any new borrowing requirement going forward, starting in the year after the asset becomes operational. For any commercial related investments, a business case review will be carried out and an appropriate provision for the repayment of any debt taken, set aside.
- 107 For capital expenditure loans to third parties, GCC will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and GCC's view is consistent with the current regulations.
- 108 MRP in respect of PFI and finance leases brought on Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability. Where former operating leases have been brought onto the balance sheet on 1st April 2024, due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- 109 Capital expenditure incurred during 2023/24 will not be subject to a MRP charge until 2025/26 at the earliest, in line with guidance issued.
- 110 Based on the latest estimate of the CFR on 31st March 2024, the budget for MRP has been set as follows:

| | 31.03.2024 Estimated CFR | 2024/25 Estimated MRP |
|-----------------------------------------------------|--------------------------------|-----------------------------|
| | £m | £m |
| Capital expenditure before 01.04.2008 | 265.747 | 6.200 |
| Unsupported capital expenditure after 31.03.2008 | 72.619 | 3.356 |
| Leases and Private Finance Initiative | 145.075 | 4.333 |
| Total | 483.441 | 13.889 |

Arlingclose's Economic and Interest Rate Forecast (December 2023)

| | Current | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 |
|----------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.00 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 |
| Central Case | 5.25 | 5.25 | 5.25 | 5.25 | 5.00 | 4.75 | 4.25 | 4.00 | 3.75 | 3.50 | 3.25 | 3.00 | 3.00 |
| Downside risk | 0.00 | 0.00 | -0.25 | -0.50 | -0.75 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 3-month money market rate | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.00 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 |
| Central Case | 5.40 | 5.40 | 5.40 | 5.30 | 5.15 | 4.80 | 4.30 | 4.10 | 3.80 | 3.50 | 3.25 | 3.05 | 3.05 |
| Downside risk | 0.00 | 0.00 | -0.25 | -0.50 | -0.75 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 5yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 3.77 | 3.75 | 3.75 | 3.75 | 3.70 | 3.60 | 3.50 | 3.50 | 3.40 | 3.30 | 3.30 | 3.30 | 3.35 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 10yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 0.85 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 3.72 | 3.75 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.75 | 3.65 | 3.60 | 3.65 | 3.70 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 20yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 0.85 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 4.16 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.25 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 50yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 0.85 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 3.76 | 3.80 | 3.85 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.95 | 3.95 | 3.95 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |

PWL Standard Rate = Gilt yield + 1.00%

PWL Certainty Rate = Gilt yield + 0.80%

PWL HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

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

risks 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 has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant 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.

Forecast:

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

EXISTING PORTFOLIO PROJECTED FORWARD

| | Portfolio 01-Nov-23 Actual £m | Average Rate % | 31-Mar-24 Estimate £m | 31-Mar-25 Estimate £m | 31-Mar-26 Estimate £m | 31-Mar-27 Estimate £m |
|-----------------------------------------------------------------|----------------------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| External Borrowing | | | | | | |
| Fixed Rate – PWLB | 193.728 | 4.62 | 190.728 | 184.228 | 184.228 | 184.228 |
| Fixed Rate – Market | 33.050 | 4.23 | 33.050 | 33.050 | 33.050 | 33.050 |
| Temporary Loans | 10.000 | 5.40 | 10.000 | 0.000 | 0.000 | 0.000 |
| Total External Borrowings | 236.778 | 4.63 | 233.778 | 217.278 | 217.278 | 217.278 |
| Other long-term liabilities (PFI) | 145.075 | | 145.075 | 141.002 | 136.583 | 132.136 |
| Total External Debt | 381.853 | 4.60 | 378.853 | 358.280 | 353.861 | 349.414 |
| Treasury Investments: | | | | | | |
| <i>Managed in house</i> | | | | | | |
| - Short term deposits and monies on call and Money Market Funds | 165.000 | 4.20 | 173.200 | 101.300 | 59.200 | 49.400 |
| - Long Term investments (over 12 months) | 10.000 | 5.08 | 5.000 | 5.000 | 5.000 | 5.000 |
| <i>Managed externally / Strategic Funds</i> | 88.500 | 4.49 | 88.500 | 98.400 | 98.400 | 98.300 |
| Total Investments | 263.500 | 4.39 | 266.700 | 204.700 | 162.600 | 152.700 |
| Net (Borrowing) / Investment Position | (118.353) | | (112.153) | (153.580) | (191.261) | (196.714) |

ⁱ 2021 Census, ONS

ⁱⁱ 2018 based Subnational Population Projections, ONS

ⁱⁱⁱ Ibid.

^{iv} Indices of Multiple Deprivation, MHCLG

^v Regional Gross Value Added (balanced) per head and income components, ONS.

^{vi} Subregional Productivity, ONS

^{vii} Business Demography, ONS

^{viii} Job Density, ONS

^{ix} UK Business Counts – Enterprises, ONS

^x Business Register and Employment Survey, ONS

^{xi} Business Demography, ONS

^{xii} LTP, 2020-2041

^{xiii} 2021 Census, ONS

^{xiv} Public Health Outcomes Framework, OHID

^{xv} UK local authority and regional carbon dioxide emissions national statistics: 2005-2021, BEIS

^{xvi} Local Authority Collected Waste Statistics, DEFRA