

# Medium Term Financial Strategy

Update – January 2024

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# Local Government Finance Settlement

- **Core Spending Power (CSP) for Staffordshire – increase of 6.9% – £727.2m from £680.5m (6.5% increase nationally).**
- **Council Tax is 63% of the total Core Spending Power, government assumes maximum increase (4.99%).**
- **Council Tax Limits = 3% for core Council Tax + 2% for the Adult Social Care Precept.**
- **Small increase in grants for social care.**
- **Small increases in some of the other general grants**
- **Business rates (billing authority responsibility but includes: revaluation, multipliers, transitional relief scheme, Supporting Small Business Scheme, improvement relief)**

# Spending Pressures

- **Inflationary pressures – additional £22m per year**
- **Children’s care placements - £8.7m in 24/25**
- **Care market pressures – additional grants for adult social care committed**
- **Transport costs – partly inflation on fuel and increases in demand**

# MTFS Planning Assumptions

- Existing MTFS savings programmes must be delivered
- Sustain transformation in Highways
- Assumes LAC (currently 1271 excluding UASC) will reduce to circa 979 by 28/29
- SEND Transformation Programme & Transport Review delivered
- Inflation assumed to fall back to 2% from 25/26 in line with external forecasts
- Council Tax at 2.99% (general) + 2.0% (adult social care) for next year only then dropping back to 2% and 1%
- Use of reserves to balance budget on a short term basis only

# Risks

- **Funding Reviews**
- **Spending Review 2025 – particularly re: Social Care Grants continuing**
- **Social Care Reform**
- **Our Children in Care – numbers and cost of children in care**
- **SEND Transport**
- **High Needs Block spending exceeding funding**
- **Inflation**
- **Use of reserves to balance the budget is not sustainable beyond the current MTFS period**
- **Therefore, consideration of savings and transformation of current service delivery is essential**

# Position as at January 2024

