

London Borough of Croydon - 2024-28 Medium Term Financial Plan

Assumes continued capitalisation directions of £38m per annum

	2024-25	2025-26	2026-27	2027-28
	£'m	£'m	£'m	£'m
Departmental and Corporate Base Budget	376.277	376.277	376.277	376.277
Demand and demographic pressures	11.941	23.516	28.456	33.593
Provision for future demand and demographic growth		2.685	12.435	22.435
Legacy budget corrections	0.806	1.306	1.806	2.306
Provision for inflation	17.000	29.000	41.000	53.000
Net cost of borrowing (interest, MRP & investment income)	72.459	75.459	79.095	80.493
Saving in borrowing costs from 2022-23 asset disposals	-4.000	-4.000	-4.000	-4.000
Set aside of additional social care grants	6.319	6.464	6.612	6.763
Risk/contingency provision	5.000	5.000	5.000	5.000
Economic demand pressures contingency	10.500	15.500	20.500	25.500
Transformation investment	5.000	5.000	5.000	5.000
Gross Budget Requirement	501.302	536.207	572.181	606.367
Contribution to /(use of) earmarked reserves	0.000	0.000	0.000	0.000
Core grant funding	-42.648	-43.520	-44.410	-45.317
Additional Adult Social Care grants (includes 23/24 allocation)	-6.319	-6.464	-6.612	-6.763
Business Rates - compensation grant for under indexing the business rates multiplier	-12.419	-12.419	-12.419	-12.419
Net Budget Requirement (as per the budget book)	439.916	473.804	508.740	541.868
Financing				
<i>Government Grants:</i>				
Revenue Support Grant	-17.628	-17.981	-18.341	-18.708
<i>Croydon Resources</i>				
Business rates top-up grant	-37.864	-40.005	-40.805	-41.621
Business rates income	-47.325	-47.588	-47.588	-47.588
Council tax (4.99% increase modelled for 24/25, a 2.99% increase per annum thereafter), Net of £2m hardship funding.	-262.148	-273.428	-284.809	-296.693
Prior year collection fund deficit	0.000	0.000	0.000	0.000
Total Financing	- 364.965	-379.002	- 391.543	- 404.610

Budget deficit excluding new savings	74.951	94.802	117.197	137.258
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New savings in borrowing costs from asset disposals	-4.000	-8.000	-12.000	-12.000
Proposed Savings	-26.931	-33.906	-38.925	-38.951
Future savings target beyond 2024-25 (assumes overall increase in incremental savings of £20m per annum)		-13.025	-28.006	-47.980
Budget deficit net of savings	44.020	39.871	38.266	38.327
Extraordinary government support	-38.000	-38.000	-38.000	-38.000
Budget deficit net of government support	6.020	1.871	0.266	0.327

Cumulative (surplus) / deficit	6.020	7.891	8.157	8.484
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