STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to Finance & Performance Committee

4 February 2026

TITLE:	**2026/27 to 2029/30 Medium Term Financial Plan & 2026/27 Budget Setting**
PORTFOLIO HOLDER	**Cllr C Wood – Portfolio holder for Finance**
CONTACT OFFICERS:	**Keith Pointon – Head of Finance**
WARDS INVOLVED:	**Non-Specific**

Appendices Attached

- **Appendix A (Medium Term Financial Plan 2026/27 to 2029/30)**
- **Appendix B (Capital Strategy 2026/27)**
- **Appendix C (Fees & Charges 2026/27)**
- **Appendix D (Procurement Forward Plan 2026/27)**

1. Reason for the Report

1.1 The purpose of the report is to present the proposed Budget for 2026/27, updated Medium-Term Financial Plan 2026/27 to 2029/30, proposed Capital Strategy 2026/27, proposed Fees and Charges for 2026/27and proposed Procurement Forward Plan 2026/27.

2. Recommendations

2.1 That members support the following **recommendations** to Council:

- Approve the General Fund Budget for 2026/27 as detailed in **Appendix A (section 8)**
- Approve the revised Medium-Term Financial Plan (2026/27 to 2029/30) as detailed in **Appendix A,** including the revised Capital Programme **(Appendix A: Annex A)**
- Approve the Capital Strategy 2026/27 as set out in **Appendix B**
- Approve the proposed Fees and Charges for 2026/27 as detailed in **Appendix C**
- Approve the proposed Procurement Forward Plan for 2026/27, providing the authority to procure based on procurement activity detailed in **Appendix D**
- Approve a Band D Council Tax of £178.21 for 2026/27 (2.99% change from 2025/26)

- Approve a Band D Council Tax of £57.81 for Leek and £11.63 for Biddulph for 2026/27 in respect of Special District Expenses
- Note the Chief Finance Officer's view that the level of reserves are adequate for the Council based on this budget and the circumstances in place at the time of preparing it **(Appendix A: Annex C)**

3. Executive Summary

3.1 This report makes recommendations to Council for the budget and the level of Council Tax for 2026/27. The report also provides an update on the Council's medium-term financial position through to 2029/30. Additionally, it establishes an overarching Capital Strategy, sets out the fees and charges that are proposed for 2026/27, and details the Procurement Forward Plan 2026/27.

3.2 The budget setting and medium term financial planning process provides the Council with the opportunity to plan its delivery of public services in accordance with local priorities. The current four year MTFP was updated in November 2025 to reflect revised economic forecasts to inform the medium term financial impact.

3.3 This version of the MTFP updates the scenario provided in the November 2025 forecasts, based on the provisional local government finance settlement information released in December, latest economic forecasts, and assumptions around the timing and level of capital and revenue expenditure and income.

3.4 The multi-year provisional local government settlement incorporated the funding reductions arising out of the Fair Funding 2.0 Review and detailed funding stream levels for 2026/27, 2027/28 and 2028/29. The impact of the Business Rates Retention Scheme reset was also included in the settlement information. The Authority has now received confirmation of the amount to be received towards Council expenditure from Extended Producer responsibility (EPR) funding for 2026/27.

3.5 The Settlement detailed the grants that have been rolled into Revenue Support Grant (RSG) from 2026/27. These include Homelessness, Rough sleeping and Domestic Abuse Grant; Crisis and Resilience Fund; and a new allocation for Food Waste Collection services; although there is no confirmation of the amount of the RSG funding that relates to Food Waste collection.

3.6 Under the Government's timetable for Local Government Reorganisation, the last two years of the MTFP (2028/29 and 2029/30) will fall outside the life of Staffordshire Moorlands District Council. These years are included in the MTFP to demonstrate the financial viability of the Council at the point of service transfer to the new Unitary Authority. It is expected that the new Unitary Authority will be responsible for setting the budget for these years.

3.7 In terms of costs, it is anticipated the Council will incur greater costs than anticipated originally in setting the MTFP last year as a result of the funding cuts and effects of inflation 'drag' on Council budgets. The pay award for 2025/26 was largely in line with the budget assumptions made for the year, however the

amount of Employer's National Insurance grant funding the Council received fell significantly short of the costs actually incurred. A pay increase of 3% is anticipated in the MTFP for 2026/27 and 2.5% included for 2027/28 (year 2 of the Plan). Thereafter, the Plan assumes 2% pay award in line with the Bank of England target for Consumer Price Index (CPI) inflation. Appropriate forecasts are also built into the assumptions for non-payroll inflation, reflecting the cost pressures being experienced by Council services. Overall financial assumptions have been updated throughout the MTFP for the four years.

3.8 This leaves a balanced 2026/27 budget on both the revenue and capital side, but with greater uncertainty and risk in the MTFP for future years. The efficiency strategy for 2026/27 and 2027/28, as included in the February 2025 MTFP, remains at the same level in this MTFP. An additional £475,000 is added to the final two (memorandum) years of the plan, which fall under the new authority, consistent with the LGR submissions.

3.9 The provisional local government financial settlement allows for up to a 3% increase in Council Tax. It should be noted that Treasury's published figures do assume all Authorities maximise the increase to this level. The way capping (or "referendum limits") works, if the maximum increase is not taken then that opportunity is lost forever (there is no opportunity to catch up in subsequent years). Having completed the annual budget exercise, a balanced budget for 2026/27 has been achieved. The final General Fund budget proposal for 2026/27 provides for a net budget of £14,473,750 and a Council Tax increase of £5.17 on a Band D equivalent property (2.99%) with the Special District Expenses increase of £1.68 (Leek) and £0.34 (Biddulph).

3.10 The forecast predicts a balanced budget position by 2029/30 with a net contribution to reserves, albeit with the risks identified.

3.11 The Capital Strategy and the Capital Programme have been updated and allow for additional investment in priority areas. The Medium Term Financial Plan includes an updated Capital Programme of £46,092,690 over the period 2025/26 to 2029/30.

3.12 The Procurement Forward Plan sets out details of the expected activity during 2026/27.

4. How this Report Links to Corporate Priorities

4.1 The successful delivery of all corporate priorities is dependent upon the effective management of financial resources, which is the subject of this report.

5. Alternative Options

5.1 This report recommends a Council Tax level and associated budget, Medium Term Financial Plan, Capital Strategy (and future capital programme) and Fees & Charges for 2026/27 designed to best deliver the Council's corporate priorities within a balanced budget. Other options may be feasible, but any alternatives would need to clearly and robustly identify the service and financial implications, in order to satisfy the Council's Section 151 Officer (under the Local

Government Finance Act 1988, section 114) of the need to deliver a balanced budget.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None.

6.2 Workforce
None.

6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Equality and Diversity policies. An Equalities Impact Assessment (EIA) has been undertaken on the Corporate Plan, which feeds into budget plans.

6.4 Financial Considerations
There are substantial financial considerations contained throughout the report.

6.5 Legal
The Local Government Act 2000 states that it is the responsibility of the Full Council, on the recommendation of Cabinet, to approve the budget and related council tax demand. The Local Government Act 2003, section 25 requires the council's Section 151 officer to report to the council on the robustness of the estimates made and the adequacy of the proposed financial reserves assumed in the budget calculations. The Local Government Finance Act 1988, section 114 requires the Section 151 officer to report to the Authority's councillors if there is likely to be an unbalanced budget.

6.6 Sustainability
An earmarked reserve has been established to support with climate change related activities. Climate Change considerations are indirectly included in many aspects of the MTFP – including capital programme projects focused on Council buildings and vehicle purchases, as well as being a consideration in procurement activity reflected in the Forward Plan. These are highlighted, wherever possible, in the MTFP report itself.

6.7 External Consultation
The Council's budget plans have been subject to a consultation.

6.8 Risk Assessment
A full risk analysis has been undertaken which is contained within the plan.

MARTIN OWEN
Executive Director (Resources) s151 Officer

Web Links and Background Papers	**Location**	**Contact details**
Various background working papers	Moorlands House	Martin Owen Martin.Owen@highpeak.gov.uk 07581 030522 Keith Pointon Head of Finance Keith.Pointon@staffsmoorlands.gov.uk 01538 395400 Ext. 4193

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APPENDIX A Medium Term Financial Plan 2026/27 to 2029/30 at February 2026

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1. Introduction

1.1. The purpose of the Medium Term Financial Plan (MTFP) document and the associated planning process is to ensure that the Council's resources are directed effectively and efficiently towards the delivery of the Corporate Plan, and the Council's services and priorities. The planning process facilitates prudent management of the Council's finances, providing for the needs of resident and businesses over the long term, and building in resilience towards the management of financial pressures the Council anticipates over the next four years.

1.2. The Council and its members are committed to consulting with residents, businesses, and other stakeholders to help inform the budget setting process and spending priorities through various forms of communication and engagement.

1.3. The MTFP builds on the current approved levels of spending on revenue services and capital expenditure, the financing, and the forecast reserves position. It incorporates financial forecasts of interest rates, inflation and budgetary demands, changes to funding & income generation, the refreshed capital programme, the efficiency programme, and use of reserves.

1.4. This MTFP includes some estimations of costs to reflect potential financial implications of the proposed Local Government Reorganisation (LGR). These costs relate to external support engaged in post-bid LGR period and the wider support the Council will put in place to navigate the transition. Further costs will become apparent as the process starts to emerge over the next few months.

1.5. This MTFP represents the start of the transition process, with the first half of the Plan representing the final years of Staffordshire Moorlands District Council; and the second half representing the first years of the successor authority; details of which will not be fully known until the Summer of 2026. There are some significant risks evolving in connection with the LGR process including the timing, the cost and the resource the Council has to deliver the transition; whilst at the same time maintaining high quality services within the Staffordshire Moorlands.

1.6. The outcome of the Government's Fair Funding Review and Business Rates reform were trailed ahead of the Local Government Finance Settlement in December. The consequence for Staffordshire Moorlands was a reduction in funding received from the Government capped at a 5% loss.

2. Strategic Priorities

2.1. The Medium-Term Financial Plan is driven by local priorities. The Council's spending strategy is set out in the Corporate Plan formally adopted by members of the Council. The delivery of the Corporate Plan is measured through the Performance Framework and monitored using a set of local performance indicators and targets established for the coming year. The Medium Term Financial Plan reflects the contents of the plan ensuring that resources are directed towards key priorities.

2.2. The Council's vision is expressed as: "**Achieving Excellence in the delivery of high-quality services that meet the needs and aspirations of our communities**" This vision is articulated further by four aims, which are supported

by several objectives to provide the framework for the delivery of service plans. The Council's objectives are summarised below:

Aim		Objectives
1	Help create a safer and healthier environment for our communities to live and work	Increased supply of good quality affordable homes
		Develop a positive relationship with communities
		Effective relationship with strategic partners
		Effective support of community safety arrangements including CCTV
		Provision of sports facilities and leisure opportunities focused upon improving health
		Enhance the distinctive culture, creativity and heritage of the district
		Improve residents access to benefits and financial support
2	Use resources effectively and provide value for money	Effective use of financial and other resources to ensure value for money
		Ensure services are easily available to all our residents in the appropriate channels and provided "right first time"
		A high performing and well- motivated workforce
		Effective procurement with a focus on local business
		Effective use of ICT
		More effective use of Council assets
		Strong and effective democratic processes
3	Help create a strong economy by supporting further regeneration of towns and villages	Encourage business growth including start-ups and enterprises
		Flourishing town centres that support the local economy
		Encourage and develop tourism
		High quality development and building control with an "open for business" approach
		Maintain and deliver an effective Local Plan
4	Protect and improve the environment	Effective recycling and waste management
		Meeting the challenges of climate change
		Provision of high-quality public amenities, clean streets and environmental health
		Provision of quality parks and open spaces
		Car parking arrangements that meet the needs of residents, businesses and visitors

2.3. The Council is committed in the time it has left to playing the lead role in championing the local area. In so doing the Council recognises its community leadership role. Fulfilling this role means influencing partners in a number of key areas such as reducing crime, the fear of crime and anti-social behaviour, ensuring effective health provision, being a champion and lobbying government for the devolution of powers and funding to local authorities, improving provision of public transport that connects our market towns and villages, improving access and traffic flows to our town centres and ensuring there is collective action on climate change. The Plan identifies key priority outcomes, which will be the highest priority in the development of performance targets and key actions. A significant proportion of the Council's resources will be directed towards achieving them:

Aim	Key Priority Outcomes
Help create a safer and healthier environment for our communities to live and work	An increased supply of quality affordable homes
	Improved health
	Improved community safety
Use resources effectively and provide value for money	Providing value for money council services
	High levels of resident and customer satisfaction
Help create a strong economy by supporting further regeneration of towns and villages	Sustainable towns and rural communities
	Increased economic growth
	Increased tourism
Protect and improve the environment	High recycling rates
	Reduced carbon emissions

2.4. The Cabinet has reviewed the Corporate Plan to refocus it within the context of LGR and the remaining life of the Authority. The outcome of this review is scheduled to be presented to Full Council in February 2026.

2.5. The Council maintains a Strategic Alliance with High Peak Borough Council, formed around the principle of shared services in the pursuit of efficiency and realisation of savings. The Strategic Alliance has enabled the implementation and transformation of a joint management structure and services, consequently realising significant efficiency savings. The implications of LGR mean that this arrangement will come to an end on 31 March 2028 and the Council must plan for the cessation of the Alliance in that timeframe. Until that time, the joint service arrangement in place under the Alliance will remain the means by which the Council continues to deliver high quality services to business and residents.

3. Capital Programme

3.1. The General Fund Capital Programme, as presented to and approved by Members in February 2025, has now been reviewed, reprofiled and updated to reflect the latest capital projections to 31 March 2030. It also includes the carry forward from 2024/25 of £1,687,900 approved by Cabinet as part of the Finance Quarter 1 report in October 2025. This table summarises the programme with more detail shown at Annex A.

Service Area	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£	£	£	£	£	£
Asset Management Plan	874,940	4,574,330	176,550	3,469,560	2,305,120	11,400,500
Housing Grants	3,334,930	2,200,000	2,200,000	2,200,000	2,200,000	12,134,930
ICT Strategy	39,890	353,630	49,870	-	-	443,390
Fleet Management	418,660	287,500	171,500	533,000	3,443,000	4,853,660
Leisure	481,590	580,000	65,240	50,000	-	1,176,830
Regeneration	191,290	194,910	181,500	42,000	25,000	634,700
Levelling Up Fund	11,311,350	5,357,640	-	600,000	-	17,268,990
Food Waste Collection	1,017,290	-	-	-	-	1,017,290
Community Facilities	162,400	-	-	-	-	162,400
Total Programme	**17,832,340**	**13,548,010**	**2,844,660**	**6,894,560**	**7,973,120**	**49,092,690**
Financed by:						
External Contributions	15,194,430	2,200,000	2,200,000	2,200,000	2,200,000	23,994,430
Revenue Reserves	6,200	17,000	1,000	-	42,500	66,700
Capital Reserves	-	-	-	-	600,000	600,000
Borrowing	2,631,710	11,331,010	643,660	4,694,560	5,130,620	24,431,560
Total Financing	**17,832,340**	**13,548,010**	**2,844,660**	**6,894,560**	**7,973,120**	**49,092,690**

3.2. The capital programme includes the following major programmes:

- **Asset Management Plan**: it is essential that the Council maintains an asset base to facilitate provision of services and delivery of the Corporate Plan. In order to monitor affordability, the Capital Strategy in the MTFP will set out the proposed outcomes and actions, and the consequent capital and revenue financial implications, both positive and negative, of maintaining the Council's current property assets.

- **Housing Grants**: The District Council is the duty holder under the Housing Grants, Construction and Regeneration Act 1996 for the mandatory Disabled Facilities Grant (DFG). The Council engages its partner, Alliance Norse Ltd, to deliver DFG services under the 'N-Able' brand.

- **ICT Strategy**: The ICT Strategy sits alongside an Organisational Development Strategy and Access to Services Strategy. The aim was to drive a change in culture and deliver the systems, processes and skills required in an environment where information is shared seamlessly though connected systems. Future system requirements are being reassessed in light of LGR, with the focus switching to optimising current system provision and away from long-term investment in new systems.

  There is an earmarked reserve to support implementation of the ICT Strategy. The balance of this reserve at 1 April 2025 was £669,000.

- **Fleet Management**: The Council has a forward plan of fleet replacement requirements based on estimates of the useful lives of the existing fleet and future business needs. Current assumptions are that new vehicles will be funded via direct capital purchase, but this will be subject to funding assessments and options appraisals prior to purchase. In response to the climate emergency, the use of clean fuel and greater efficiency is a key consideration. Proceeds from the sale of vehicles will be used to fund future purchases through use of reserves and capital receipts to further reduce the overall cost of financing the vehicle fleet by reducing borrowing costs.

- **Leisure projects**: These include horticulture works in parks and play areas; Move More sports grants fund and energy efficiency works at Biddulph Valley and Brough Park via the Public Sector Decarbonisation Scheme (PSDS).

- **Regeneration projects**: These include Cheadle Market regeneration, the annual contribution to support the Moorlands Partnership Board grant awards for the improvement of historic buildings and structures and UK Shared Prosperity Funding (UKSPF). UKSPF projects will be added to the capital programme as they are finalised.

- **Levelling Up Fund projects**: Brough Park Leisure Centre and Nicholson Institute projects have been subject to review; including recognition of additional costs, variations to external funding available from third parties and reprofiling of spend over next two financial years. Brough Park Leisure Centre re-development has been substantially completed but works to upgrade the electricity network has delayed the opening. Additional budget of £1.1m has been incorporated for the project in this update this includes £0.46m for external landscaping and signage works which are part funded from Sports England. Nicholson Institute; additional budget of £0.2m - has been included based on latest forecasts of costs. Both budget increases have been met from within the Councils capital LUF reserve.

- **Weekly food waste collections:** Weekly food recycling initiative, funded by Department for Environment Food and Rural Affairs (DEFRA). Capital elements of the programme include purchase of food bins and food collection vehicles.

3.3. Financing the Capital Programme

3.3.1. The capital programme is funded from several streams, including external grants and contributions from third parties, capital receipts from asset sales as part of the asset management plan, and earmarked revenue reserves.

3.3.2. Borrowing is undertaken to fund the shortfall after other capital resources have been used. The Council's estimated borrowing requirement for the capital programme is shown in the table above. The Treasury Management Strategy then considers whether this is funded externally or internally - both options have a consequence on revenue either through reduced investment income or increased external interest liability.

3.3.3. It is proposed to utilise reserves allocated for capital spend (where possible) on the acquisition of short-life assets such as vehicles, plant, and equipment, where it is best value to do so.

3.4. Transformation Programme

3.4.1. The delivery of transformation programme projects is monitored by the Transformation Board made up of Directors, along with key Heads of Service and officers. A Director is allocated as 'project executive' and a full business case appraisal is completed for each project.

3.4.2. The progress and current financial projections of the transformation programme are explored below along with any potential revenue and capital consequences. Any further work required to identify the financial implications of the programme are discussed and will feed into future MTFP updates.

3.4.3. A review of the Transformation Programme has been undertaken to reflect the implications of LGR and the Council's desire to leave a legacy beyond its closure in 2028.

3.5. Capital Strategy

3.5.1. In accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities, the Capital Strategy has been updated for 2026/27 and is presented to members in Appendix B alongside this report. The Capital Strategy explains how capital expenditure and investment decisions are taken in line with the Council's Corporate Plan and service objectives, taking account of stewardship, value for money, prudence, risk management, sustainability and affordability.

3.6. Member Priority Actions/ Projects

3.6.1. During the development of the Corporate Plan several priority actions were identified by members. These have been assessed by the management team for financial implications. A review of Priority Actions and projects has been undertaken as a result of LGR, with some actions being accelerated and others suspended to reflect the Council's remaining timescale and necessary refocus

that reorganisation will bring. The outcome of this review is scheduled to be taken to Full Council in February 2026.

4. Efficiency Programme

4.1. The 2024/25 to 2028/29 Medium Term Financial Plan (MTFP) was balanced with the inclusion of an efficiency requirement of £890,000. Themed areas to achieve this programme include: Asset Management Plan, Income and Charges, Project Management, Recruitment and Retention, and Council Controlled Companies. An additional £475,000 is added to the third year of the programme, which falls under the new authority under LGR.

4.2. Work to develop and deliver the original plan savings over the next two years continues in all areas and there is a Head of Service lead for each stream, with update presentations being made to members. Plans are in place to overachieve the efficiency targets in order to provide an in-built contingency to any challenging areas, this is shown below as a headroom to the MTFP target.

4.3. The major focus of the AMP savings would be derived predominantly from Moorlands House and Stockwell Villas. The timings of these savings are subject to uncertainty pending decisions. CCC savings focus on more efficient practices and improvements in commercial income. Income increases from the Income and Charges stream in excess of normal inflation would be found from new charging opportunities, benchmarking existing charges against the market and our neighbours, and ensuring control of costs and subsidies. Optimising project management will be derived from maximising funding and developing in-house expertise. The Recruitment and retention theme focuses around succession planning and reducing staff attrition to control cost.

Plan	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Total**	***2028/29***	***2029/30***
	£	**£**	**£**	**£**	**£**	**£**	***£***	***£***
Efficiency targets in MTFP	(250,000)	(250,000)	(300,000)	(90,000)	0	(890,000)	*0*	*0*
Added targets							*(475,000)*	*0*
Asset Management Plan	(6,000)	(11,000)	(219,000)	0	0	(236,000)	*0*	*0*
Council Controlled Companies	(256,000)	(88,000)	(213,000)	0	0	(557,000)	*0*	*0*
Income & Charges	(60,000)	(60,000)	(60,000)	0	0	(180,000)	*0*	*0*
Project Management	(15,000)	(15,000)	(15,000)	0	0	(45,000)	*0*	*0*
Recruitment & Retention	0	0	0	0	0	0	*0*	*0*
Total	**(337,000)**	**(174,000)**	**(507,000)**	**0**	**0**	**(1,018,000)**	***(475,000)***	***0***
(headroom)/ shortfall against MTFP target	*(87,000)*	*76,000*	*(207,000)*	*90,000*	*0*	*(128,000)*	*0*	*0*

4.4. Achievements to date show moderate success against the plan. The significant savings target assigned to the Council Controlled Companies, which was focussed on AES in the first year, did not reach the target during the year. Discussions between the Leisure & Environment service and AES continue to address this issue with dedicated joint workshops promoting progress and focus that has led to an agreed programme for AES to implement giving greater

assurance of overall delivery. The table below shows where cumulative budget efficiencies have been achieved in the plan:

	2024/25	2025/26
	£	£
Efficiency target in MTFP	*250,000*	*250,000*
Brought forward cumulative balance		*158,560*
Achievements in year		
AMP		
Improved rentals	(41,390)	(3,890)
Food outlets market rentals		(9,000)
Utility savings from LED lights	(4,500)	(18,000)
	(45,890)	**(30,890)**
CCC		
AES management fee reductions:		
Street cleansing fuel	(6,750)	
Removal of Pool car	(1,100)	
Reduction of subcontractors in cemeteries		(7,500)
Improved Council income enabled by AES:		
Commercial waste and recycling	(15,700)	
Bulky waste	(7,000)	(10,000)
Aborted fleet procurement		(10,440)
Introduction of Trade Food Recycling		(19,300)
	(30,550)	**(47,240)**
Legacy efficiencies		
Customer services changes		**(48,350)**
Project management plan	**(15,000)**	**(15,000)**
Total	**(91,440)**	**(141,480)**
Cumulative shortfall/ (surplus) against MTFP target	**158,560**	**267,080**

4.5. A long-standing earmarked reserve of £434,028 remains available to support the implementation of the Efficiency Programme to fund required investments.

5. Financial Forecasts

5.1. Interest Rates

5.1.1. The current view of interest rates is that the Bank of England base rate will be at 3.75% at the start of 2026/27, decreasing over the life of the plan to 3.25% by the end of 2026 and remain there. The forecast of PWLB (Public Works Loan Board) borrowing interest rates shows that these remain higher than base rate decreasing from 4.60% at the start of the plan to 4.10% by March 2027 and remaining there. These relatively high interest rates have a significant impact on borrowing costs, partially offset where portfolio sizes allow, by increased investment income.

5.1.2. The strategy remains to use internal borrowing where possible as there is a net benefit from the reduction in the external borrowing cost, compared to the impact from the reduced investment income portfolio. External borrowing will be taken for short-term periods until rates start to decrease and fixed borrowing can be locked in at lower interest rates for longer periods to provide certainty of future costs.

5.1.3. The table below shows the net borrowing cost to the Council across the MTFP period:

	2025/26	2026/27	2027/28	2028/29	2029/30
	£	£	£	£	£
Investment income	(1,049,030)	(933,130)	(837,060)	(798,670)	(836,830)
Borrowing costs	783,120	927,390	1,025,840	1,308,650	1,508,930
Net borrowing cost/ (income)	**(265,910)**	**(5,740)**	**188,780**	**509,980**	**672,100**

5.2. Inflationary Projections

5.2.1. The Consumer Price Index (CPI) was reported as 3.2% in November 2025. The Bank of England Monetary Policy Committee target remains as 2%. This range informs the inflation forecasts applied to the Council's expenditure and income in this plan.

5.2.2. The impact of inflation on the Council's budget and medium term financial plan is shown in this table across each of the budgetary areas:

Expenditure/Income	2026/27	2027/28	2028/29	2029/30
	£	£	£	£
Employee Costs	203,900	258,030	229,540	226,040
Premises Costs	18,630	46,060	10,620	7,930
Transport	0	0	0	0
Supplies and Services	388,130	175,490	57,060	195,260
Fees & Charges	(7,070)	(70)	(27,170)	(27,720)
In-Year Inflation Pressure	**603,590**	**479,510**	**270,050**	**401,510**

5.3. Budgetary Demand

5.3.1. Changes in budgetary demand that have been identified since the MTFP was presented and approved by Council in February 2025, or are now anticipated during the four-year MTFP period, are highlighted below:

General Fund Service	Change	2026/27	2027/28	2028/29	2029/30
		£	£	£	£
OD & Transformation	External HR support including Local Government Reorganisation (LGR)	123,000		(100,000)	
OD & Transformation	Commitment to staff training during the transition to LGR	16,000			
OD & Transformation	ICT systems and support	50,650	(40,960)	7,040	2,800
Development control	Building control systems and support	3,180			
Corporate Finance	Tree management	19,000			
Leisure & Environment	Chargeable garden waste service net income	(971,500)	(296,000)		
Leisure & Environment	Impact of weekly food waste collection	940,040	182,770		
Leisure & Environment	One off parks programmes			(25,000)	
Leisure & Environment	Alliance Environmental Services	3,170			

Leisure & Environment	Leisure Centres - My Active	(201,060)	(222,230)	(99,020)	
Customer services	Cost of postage	6,600			
Strategic Housing	Functions under the Homelessness, Rough Sleeping, Domestic Abuse Funding & Revenue Support Grant	226,960	(46,180)	57,770	
Community Safety & Enforcement	Contribution to partners for domestic violence crime work	5,000			
Community Safety & Enforcement	CCTV line review, reduction of obsolete lines and move from analogue to digital	(43,000)			
Corporate Finance	One-off projects from previous year	(52,000)			
Corporate Finance	Rebasing of Corporate finance balances	385,000	82,140	30,350	(162,910)
Corporate Finance	Impact of Pension Triennial valuation	(205,000)	19,000	20,000	
Property services	Repairs	100,640			
Property services	Cleaning & Caretaking	(41,480)			
Property services	Bridges & structures	950	4,400	(58,150)	
Property services	Tenant service level agreement	(15,000)			
Property services	Moorlands House fountain repair	30,000	(30,000)		
	Total change budget demand	**381,150**	**(347,060)**	**(167,010)**	**(160,110)**

6. Funding & Income Generation

6.1. Council Tax

6.1.1. Alongside the provisional Local Government Settlement, MHCLG confirmed in December 2025 that for 2026/27 local authorities are allowed to increase the band D council tax charge by up to 3% without the need for a referendum. 2.99% is applied to the calculated taxbase for 2026/27 as an increase to the band D charge, and continues in each year of the MTFP with estimates of tax base growth based on the trend history:

Increased Council Tax Income	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	£	**£**	**£**	**£**
Revenue from increased Council Tax	(191,680)	(197,290)	(304,440)	(320,560)
Revenue from tax base growth	(12,870)	(36,020)	(37,130)	(38,090)
Total	**(204,550)**	**(233,310)**	**(341,570)**	**(358,650)**
Council Tax Income Budget	(6,598,090)	(6,831,400)	(7,172,970)	(7,531,620)

6.2. **Business Rates Retention** (Non-Domestic Rating Income)

6.2.1. As part of the Government's Fair Funding Review 2.0, the Business Rates Retention System (BRRS) is being reset from 1 April 2026. The intention is to ensure local government resources match need. As part of this reset, the Council has been assigned a new Business Rates Baseline (BRB), Baseline Funding Level (BFL) and Tariff amount. To protect the Council's income during the transition to the new arrangements, the Government is increasing the safety net threshold (where the Council's share of Non-Domestic Rating Income (NDRI) is

below the BFL) to 100% for 2026/27, reducing to 97% in 2027/28 and 92.5% in 2028/29. There will be a levy payable on growth above the BFL with the rate increasing progressively from 10% to 45%. The BFL and tariff will be indexed by CPI directly each year.

6.2.2. A new Valuation listing of Business Rates hereditaments will be applied from 1 April 2026 with a new transitional relief scheme. There is a new suite of business rates multipliers: in addition to the small and standard multipliers, there will be a lower small and standard multiplier appliable to Retail, Hospitality and Leisure (RHL) properties, and a High Value Multiplier for properties at £500,000 and above.

6.2.3. Section 31 grants payable to councils as compensation for the loss of income related to reliefs and discounted multipliers will now fall under the definition of NDRI, meaning that they will be credited to the collection fund as opposed to the general fund, which will reduce any potential impact on the collection fund surplus and deficit.

6.2.4. The Council's income from the Business Rates Retention Scheme throughout the MTFP is shown in the table below:

Business Rates Retention Scheme (BRRS)	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	£	**£**	**£**	**£**	**£**
Baseline Funding Level (BFL)	(2,847,460)	(1,904,160)	(1,942,240)	(1,981,080)	(2,020,700)
Business Rates Retention after Tariff and Levy	(2,654,590)	(90,570)	(90,570)	(90,570)	(90,570)
Total Business Rates Retention	**(5,502,050)**	**(1,994,730)**	**(2,032,810)**	**(2,071,650)**	**(2,111,270)**
Change year on year		*3,507,320*	*(38,080)*	*(38,840)*	*(39,620)*

6.3. Collection Fund

6.3.1. The Council maintains a Collection Fund to record the receipt of Council Tax and Business Rates and their distribution to precepting authorities. Any surplus or deficit generated is distributed or recovered from the preceptors in subsequent years:

Changes in Collection Fund Income	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	£	**£**	**£**	**£**	**£**
Council Tax (surplus)/ deficit	(97,680)	24,890	0	0	0
Business Rates (surplus)/ deficit	76,890	753,050	0	0	0
Total (surplus)/ deficit	**(20,790)**	**777,940**	**0**	**0**	**0**
Change		(798,730)	777,940	0	0

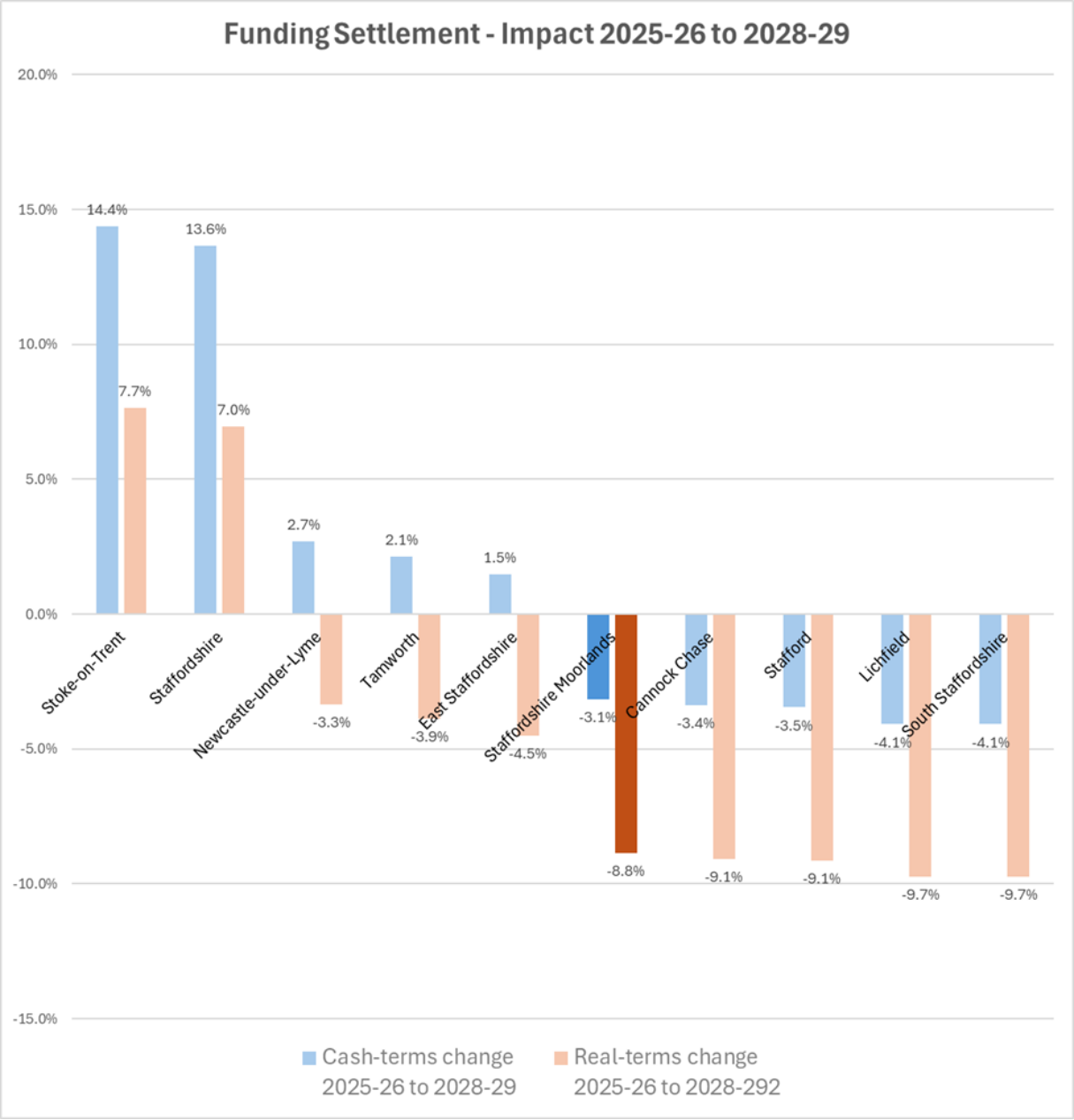
6.4. Income from Government Grants

6.4.1. The Fair Funding review 2.0 has introduced significant changes to the Council's funding stream. The provisional Local Government Finance Settlement for 2026/27 is a multi-year settlement from 2026/27 to 2028/29 simplifying multiple funding streams by consolidating grants, providing clarification on core funding and resetting the business rates retention system. The final year of the MTFP assumes no change to the final year of the multi-year settlement.

Government Consolidated Grants	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	£	**£**	**£**	**£**	**£**
Revenue Support Grant	(123,310)	(4,327,040)	(3,300,000)	(2,200,000)	(2,200,000)
Transitional Protection Grant			(700,000)	(1,500,000)	(1,500,000)
Funding Floor	(427,590)				
Employer National Insurance Contributions Funding	(194,040)				
New Homes Bonus	(50,680)				
Total	**(795,620)**	**(4,327,040)**	**(4,000,000)**	**(3,700,000)**	**(3,700,000)**
(Increase)/ decrease in government funding		(3,531,420)	327,040	300,000	0

Government Funding	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	£	**£**	**£**	**£**	**£**
Homelessness, Rough Sleeping & Domestic Abuse		(309,590)	(355,770)	(398,000)	(398,000)
Extended producer responsibility scheme	(782,000)	(1,414,010)	(1,131,210)	(1,131,210)	(1,131,210)
Total	**(782,000)**	**(1,723,600)**	**(1,486,980)**	**(1,529,210)**	**(1,529,210)**

6.4.2. To provide some context to the Funding settlement changes for the Council, the impact on all Staffordshire Councils is shown here:



Source: Institute for Fiscal Studies (IFS) (18/12/2025)
Government confirms big redistribution of funding to more urban and more deprived councils in England | Institute for Fiscal Studies

6.5. General Fees and Charges

6.5.1. Charging for local services makes a significant contribution to the Council's finances. The Council also uses charging to influence individual choices and behaviour, and to bring other benefits to local communities. Charges are set according to the category they fall into:

- Full commercial: Service is promoted to maximise revenue within an overall objective of generating a surplus from the service
- Fair charging: Service is promoted to maximise income but subject to defined policy constraints including commitments made to potential customers on an appropriate fee structure.
- Cost recovery: Service generally available to all but without a subsidy
- Subsidised: Service is widely accessible, but users of the service should make some contribution from their own resources

- Nominal: Service to be fully available and a charge is made to discourage frivolous usage
- Free: Service fully available at no cost
- Statutory: Charges are set in line with legal obligations

6.5.2. The proposed fees and charges for 2026/27 are presented in Appendix C alongside this report. These have been considered taking in to account current and forecast inflation, comparison with peers, neighbours and competitors and the impact of price on demand.

6.5.3. Income from the 'Income and Charges' theme in the Efficiency Programme will be additional to the existing fees & charges income streams.

7. Risks, Contingencies & Use of Reserves

7.1. Risk identification and management

7.1.1. The early identification and management of risks is critical to the Medium Term Financial Planning process. Risks to the MTFP are assessed, mitigated, and actively managed to ensure that the Council delivers its services effectively within the funding at its disposal. The principal risks to the Medium Term Financial Plan are summarised at Annex B.

7.1.2. Risk areas will be monitored closely and reviewed on an on-going basis and remedial action taken as appropriate. Risks associated with specific projects will be identified within the project methodology documents and reviewed monthly by the Transformation Board. Specific financial risks which are embedded within this MTFP are:

Revenue risks

- Inflationary assumptions
- Interest rates
- Housing benefits
- Fees and charges
- Universal Credit
- Business Rates
- Council Tax collection
- Government grants
- Financial benefits from partnerships/ shared services
- Pension costs
- LGR risks
- Contract management

Capital risks

- Interest rates
- External funding
- Capital receipts
- Capacity to deliver capital programme
- Project overspend
- Project overrun
- External factors (e.g. planning objections, judicial reviews etc. leading to project delay)
- Weather
- LGR risks

7.2. Contingencies

7.2.1. The Council will carry adequate reserves as a contingency against risks that cannot be fully mitigated. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer (CFO) to report on the robustness of the estimates included in the budget and the adequacy of the reserves that the budget provides. The Council is required to hold a general (contingency) reserve to meet unforeseen expenditure. While there is no detailed guidance on calculating the level of general reserves the Council is encouraged to take into account the strategic, operational and financial risks facing the Council. These amounts are then moderated to acknowledge the likelihood of all risk events occurring together. The table below reflects the approach taken in calculating the minimum level of general reserve required. This review, in reference to the 2026/27 income and expenditure, confirms that the minimum level of £1,349,000 remains sufficient, above the reviewed level shown below

Item	Calculation Factor	Value	Amount of Reserve
		£m	£
Gross expenditure – Employees	2.5% further increase in costs	9.0	226,000
Gross expenditure – Other	2.5% further increase in costs	14.5	362,000
Fees and Charges	3% shortfall on income	8.9	268,000
Net interest	2% impact of interest rate changes	0.2	4,000
Efficiency Provisions	10% shortfall on achievement	0.3	25,000
Council Tax Collection	1% further loss of income	6.6	66,000
Business Rates Retention	1% further loss of income	2.0	20,000
Government Grants & Funding	10% fall in funding	4.6	464,000
Sub-total Requirement			**1,435,000**
Moderation for probability of all events being concurrent	7.5% reduction		(107,625)
Total Requirement			**1,327,375**

7.2.2. The level and utilisation of reserves is determined formally by the Council, having received the advice and judgement of the Chief Financial Officer (CFO). The Chief Financial Officer's advice is:

"In the view of the Executive Director & Chief Finance Officer (Section 151 Officer), the budget includes estimates that take into account circumstances and events that are reasonably foreseeable at the time of preparing the budget. The view is therefore held that the level of reserves is adequate for the Council based on this budget and the circumstances in place at the time of preparing it."

7.2.3. A formal record of the Chief Finance Officer's advice is recorded in the minutes of the Council meeting. In the unusual event that a Chief Finance Officer's advice is not accepted by a Council, the rejection by a Council of the Chief Finance Officer's advice must be recorded in the minutes. Further detail of the CFO's determination in regard to contingency balances and reserves is detailed in ANNEX C.

7.3. Use of Reserves and Balances

7.3.1. The February 2025 MTFP included a net use of £89,230 from the general fund contingency reserve over the lifetime of the plan and a £7,700 contribution per annum from General Fund Reserves in respect of Section 106 (commuted sum) contributions.

7.3.2. Following the 2024/25 outturn position and a net use of reserves, the Council general fund contingency balance at 31 March 2025 stood at £1.760million (£2.690million at 31 March 2024). The total contingency balances including those held in respect of Council Controlled Companies was £2.226million at 31 March 2025 (£3.115million at 31 March 2024).

7.3.3. The updated MTFP shows a forecast cumulative deficit position of £285,320 over the four years, which represents the anticipated net contribution to contingency reserves in maintaining a balanced 4-year plan. The annual changes in the contingency reserve as well as other earmarked reserves where it is planned to draw funding are shown in the table below:

Reserve	**2025/26 Budget**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	£	**£**	**£**	**£**	**£**
(Use of)/ contribution to contingency reserve	(89,230)	(111,470)	(269,420)	1,030	94,540
Section 106 commuted sum drawdown	(7,700)	(5,970)	(930)	(930)	(110)
Business Rates reserve		(490,790)			
Total Reserve Usage	**(96,930)**	**(608,230)**	**(270,350)**	**100**	**94,430**
Year on year change in reserve usage		(511,300)	337,880	270,450	94,330

7.3.4. Based on the working assumptions of this MTFP, at the end of the 4-year period there would be an estimated balance of £1.669million in the general fund contingency reserves, which would be £0.320million above the £1.349million minimum contingency balance:

Contingency reserve	**2025/26 Budget**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	£	**£**	**£**	**£**	**£**
Opening balance	2,226,000	1,954,410	1,842,940	1,573,520	1,574,550
(Use of)/ contribution to reserve	(89,230)	(111,470)	(269,420)	1,030	94,540
Forecast surplus outturn quarter 3	(182,360)				
Closing balance	**1,954,410**	**1,842,940**	**1,573,520**	**1,574,550**	**1,669,090**
Minimum requirement (s 7.1)	1,349,000	1,349,000	1,349,000	1,349,000	1,349,000
Headroom	605,410	493,940	224,520	225,550	320,090

8. MTFP Revenue Position & 2026/27 budget setting

8.1. This MTFP proposed revenue position is as set out in the table below including a balanced budget position with £285,320 use of balances:

Budget Heading	2025/26 Budget	2026/27 Budget Setting	2027/28	2028/29	2029/30
	£	£	£	£	
Employees	8,271,200	9,024,440	9,438,120	9,816,790	10,042,830
Premises	1,050,290	1,162,840	1,178,900	1,189,520	1,197,450
Transport	100,350	113,950	113,950	113,950	113,950
Supplies & Services	11,282,370	13,250,580	13,560,760	12,955,590	12,990,740
Benefits	194,550	194,550	194,550	194,550	194,550
Borrowing	778,320	927,390	1,025,840	1,308,650	1,508,930
Total Expenditure	**21,677,080**	**24,673,750**	**25,512,120**	**25,579,050**	**26,048,450**
Fees and Charges & Income	(6,688,580)	(8,918,330)	(9,704,980)	(9,958,110)	(10,085,410)
Other government grant income	(348,540)	(348,540)	(348,540)	(348,540)	(348,540)
Interest Receipts	(1,049,030)	(933,130)	(837,060)	(798,670)	(836,830)
Net Expenditure	**13,590,930**	**14,473,750**	**14,621,540**	**14,473,730**	**14,777,670**
Council Tax	(6,393,540)	(6,598,090)	(6,831,400)	(7,172,970)	(7,531,620)
Business Rates Retention	(5,502,050)	(1,994,730)	(2,032,810)	(2,071,650)	(2,111,270)
Grant Funding	(1,577,620)	(6,050,640)	(5,486,980)	(5,229,210)	(5,229,210)
Earmarked Reserves	(7,700)	(496,760)	(930)	(930)	(110)
Collection Fund	(20,790)	777,940	0	0	0
Total Financing	**(13,501,700)**	**(14,362,280)**	**(14,352,120)**	**(14,474,760)**	**(14,872,210)**
Deficit/ (Surplus)	**89,230**	**111,470**	**269,420**	**(1,030)**	**(94,540)**
Contribution to/ (use of) balances	(89,230)	(111,470)	(269,420)	1,030	94,540
Balance	**0**	**0**	**0**	**0**	**0**

8.2. Council Tax Setting Requirement 2026/27

8.2.1. The table below illustrates the Council Tax requirement for 2026/27:

	2026/27 Budget Setting
	£
Net Cost of Services	**14,473,750**
Business Rates Retention	(1,994,730)
Government Grants	(6,050,640)
Use of Reserves	(608,230)
Collection Fund	777,940
Net Requirement for Council Tax	**6,598,090**

8.2.2. The overall Council Tax requirement contained within these proposals is summarised in the table below:

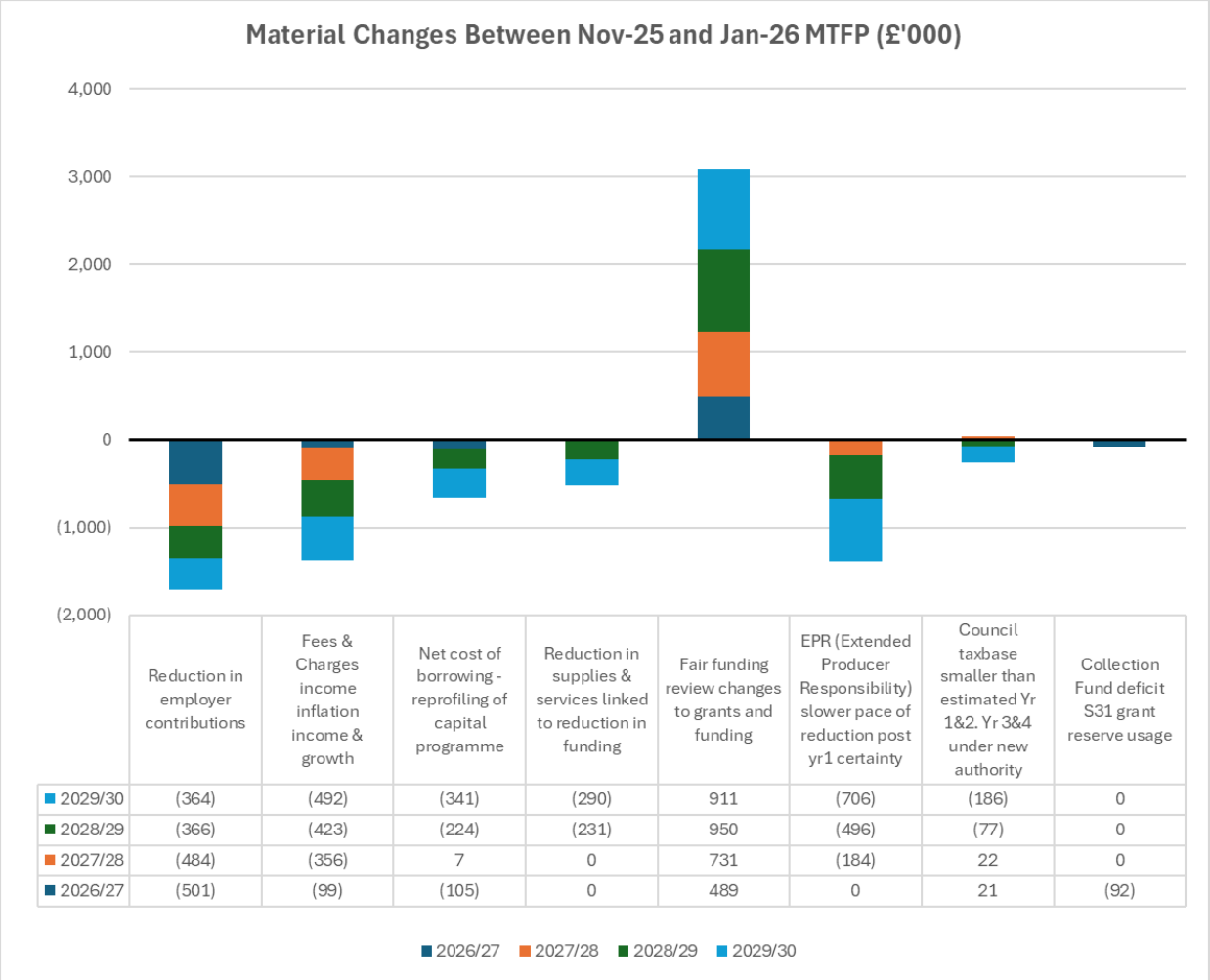
	Budget Requirement	Tax Base	Band D Council Tax	Increase/ (decrease)	
	£				
District Council Tax	6,140,230	34,455	£178.21	£5.17	2.99%
Special District Expense:					
Leek	383,740	6,638	£57.81	£1.68	2.99%
Biddulph	74,120	6,373	£11.63	£0.34	2.99%

9. Scenario Planning & Sensitivity Testing

Development from the December 2025 iteration

9.1. The first iteration of this MTFP was presented to members in December 2025. As is usual, at that time in the year there was much that is still unknown or unconfirmed for the forthcoming financial year and medium term, including the provisional local government settlement, the level of council tax raising ability, the refined requirements of the capital programme, along with the impacts of inflation and interest rates. Work continues in the following months to gather more data, firm assumptions and build into the plan full service delivery costs and capital requirements in conjunction with all Heads of Service, ALT and members.

9.2. The chart below summaries the changes between the December 2025 iteration and this balanced proposed MTFP:

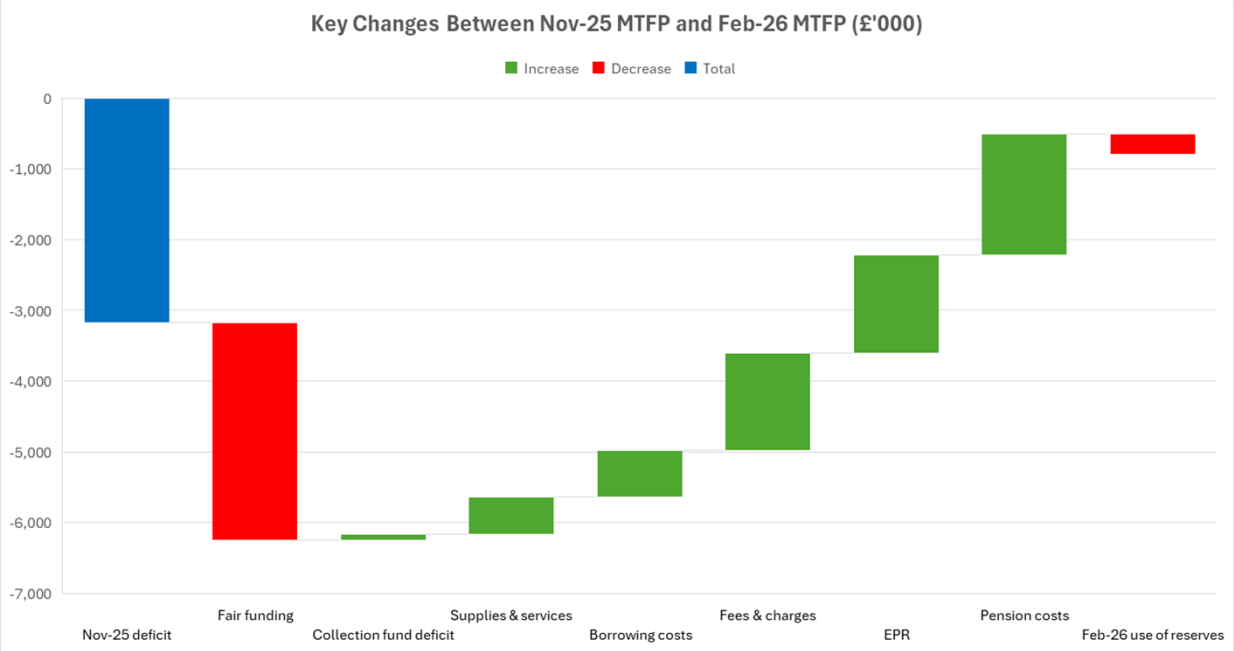


	Reduction in employer contributions	Fees & Charges income inflation income & growth	Net cost of borrowing - reprofiling of capital programme	Reduction in supplies & services linked to reduction in funding	Fair funding review changes to grants and funding	EPR (Extended Producer Responsibility) slower pace of reduction post yr1 certainty	Council taxbase smaller than estimated Yr 1&2. Yr 3&4 under new authority	Collection Fund deficit S31 grant reserve usage
2029/30	(364)	(492)	(341)	(290)	911	(706)	(186)	0
2028/29	(366)	(423)	(224)	(231)	950	(496)	(77)	0
2027/28	(484)	(356)	7	0	731	(184)	22	0
2026/27	(501)	(99)	(105)	0	489	0	21	(92)

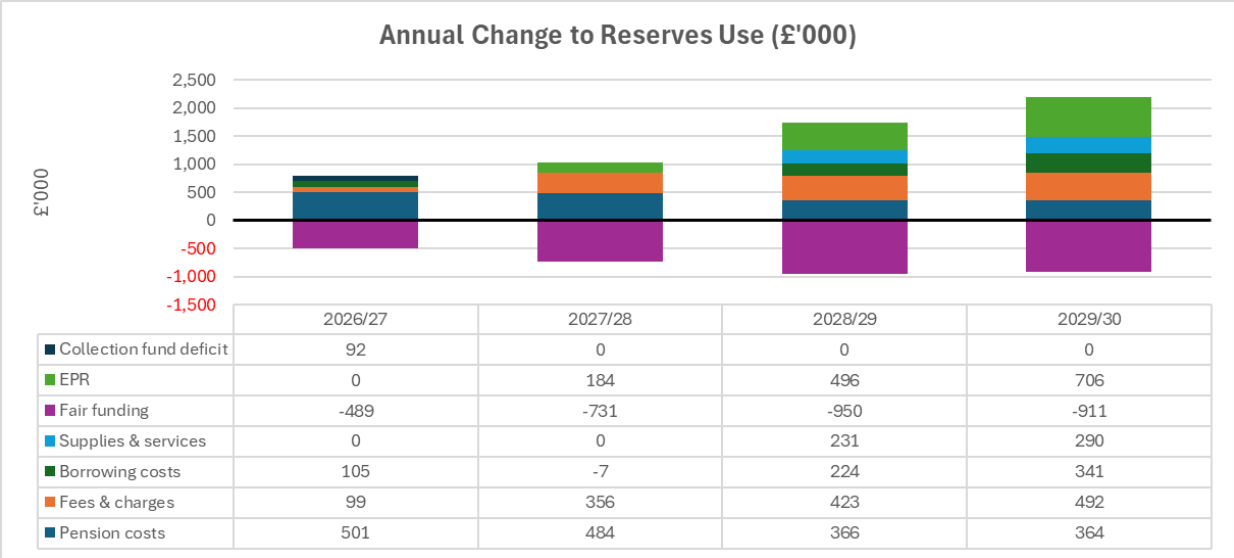
9.3. The most significant material changes over the 4-year life of the plan are:

- The Fair Funding 2.0 review and multi-year provisional Local Government Finance Settlement shows a decrease in gross funding: (£3.081million)
- Reduction in employment costs owing to reduced employer pension contributions: (£1.715million)

- Extended Producer Responsibility (EPR) grant funding has been confirmed for year 1 of the MTFP – a smaller assumed tapered reduction is now included in the plan: (£1.386million)
- Fees & charges income from inflation and customer growth: (£1.371million)

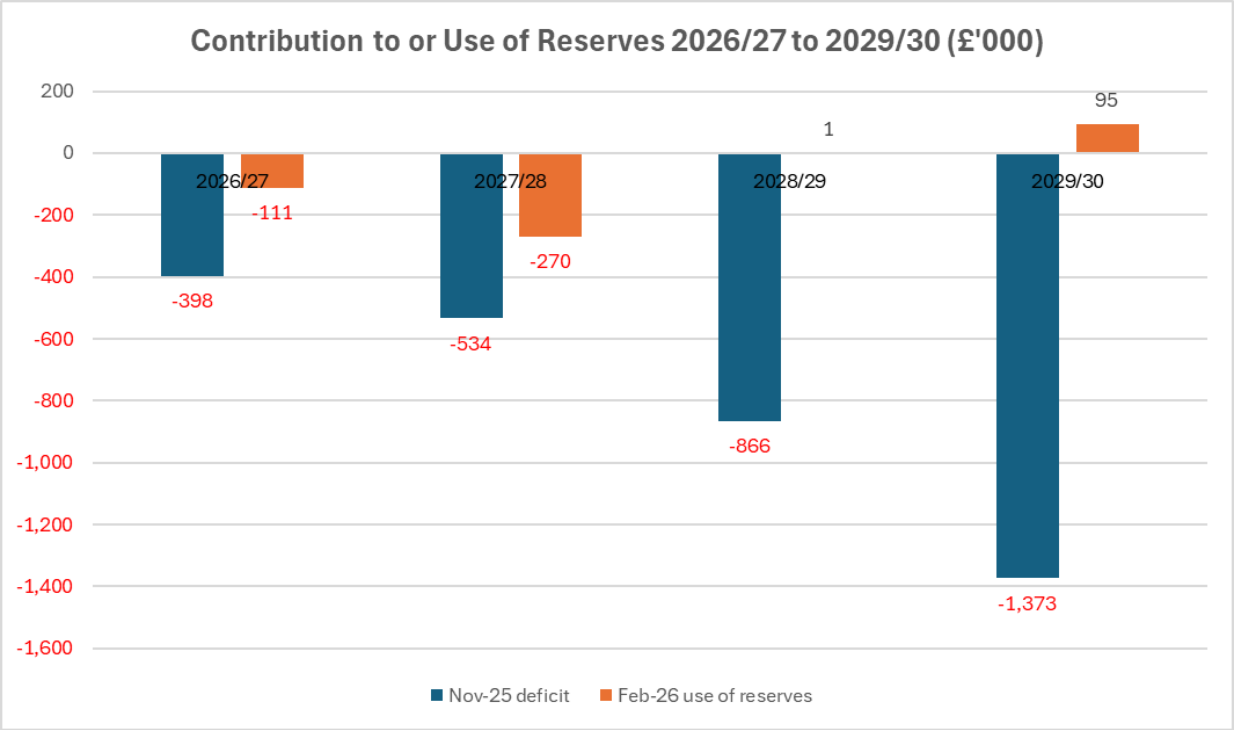


9.4. This MTFP considers the use of reserves necessary to bring the plan into balance. The impact of the changes above has this effect on the use of reserves within each year:



	2026/27	2027/28	2028/29	2029/30
Collection fund deficit	92	0	0	0
EPR	0	184	496	706
Fair funding	-489	-731	-950	-911
Supplies & services	0	0	231	290
Borrowing costs	105	-7	224	341
Fees & charges	99	356	423	492
Pension costs	501	484	366	364

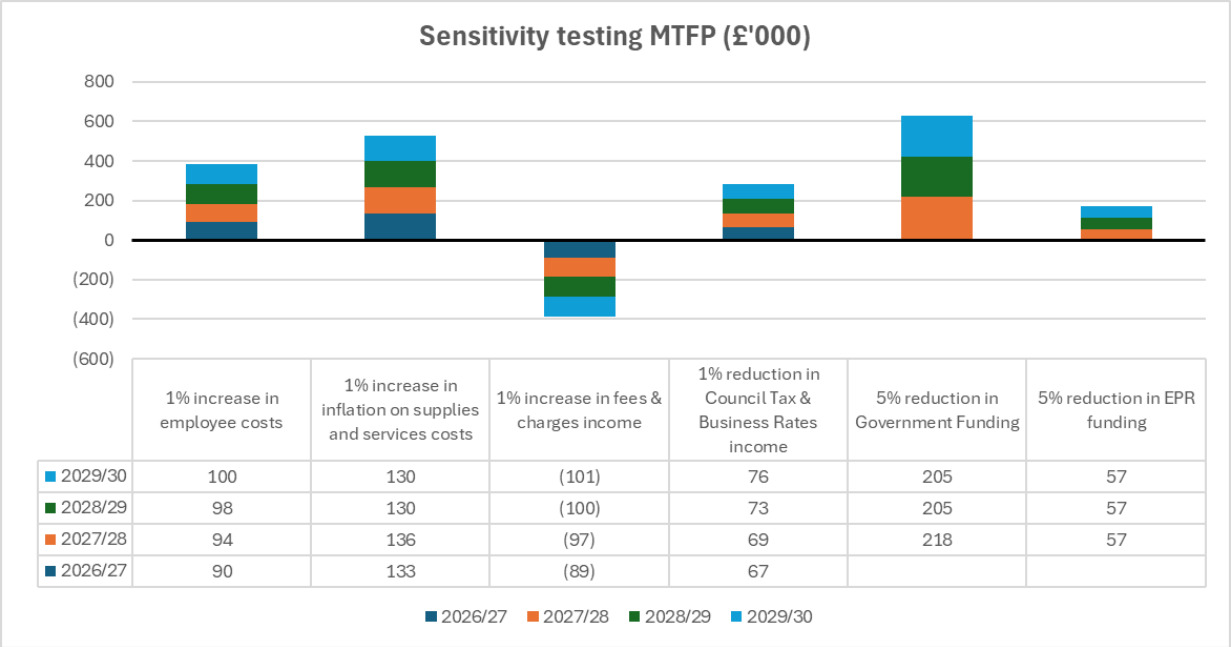
9.5. This reduces the cumulative need use of reserves anticipated in the December iteration of £3.2million down to £0.285million in this proposed balanced MTFP.



Sensitivity testing

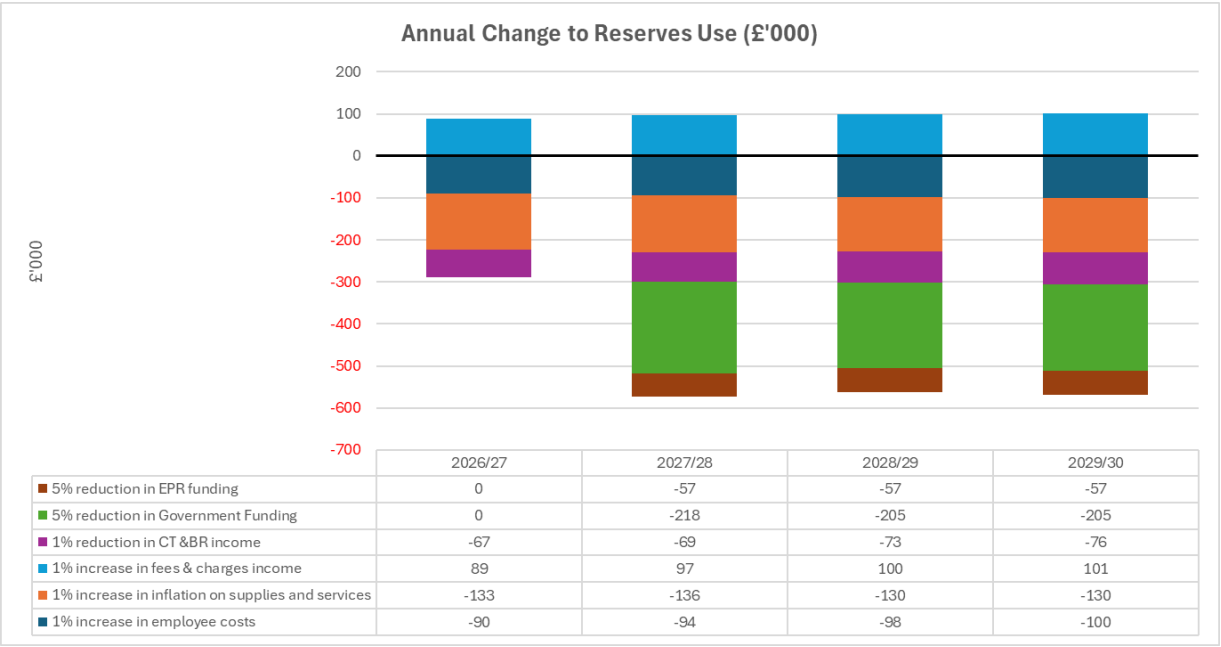
9.6. As part of the financial planning to build a balanced and robust MTFP, the plan is tested by considering the impact of various scenarios of significant changes to expenditure or funding items:

- Employee costs: The impact of the establishment salary costs increasing by 1%
- Inflation: The impact of all supplies & services costs within the budget increasing by 1%
- Interest rates: the current forecast of the trajectory of interest rates is a reduction over time. If there is a 1% reduction sooner than anticipated, it will have a positive effect on the MTFP. If the trajectory changes and interest rates raise again by 1%, it will have the opposite effect
- Fees & charges income: The impact of fees & charges income increasing by 1%
- Council Tax and Business Rates growth: The impact of income reducing by 1%
- Government Funding including EPR: The impact of government grants and funding in years 2-4 of the plan worsening by 5%



	1% increase in employee costs	1% increase in inflation on supplies and services costs	1% increase in fees & charges income	1% reduction in Council Tax & Business Rates income	5% reduction in Government Funding	5% reduction in EPR funding
2029/30	100	130	(101)	76	205	57
2028/29	98	130	(100)	73	205	57
2027/28	94	136	(97)	69	218	57
2026/27	90	133	(89)	67		

9.7. The aggregate impact on the use of reserves of all these scenarios materialising is shown in the chart for each year:



	2026/27	2027/28	2028/29	2029/30
5% reduction in EPR funding	0	-57	-57	-57
5% reduction in Government Funding	0	-218	-205	-205
1% reduction in CT &BR income	-67	-69	-73	-76
1% increase in fees & charges income	89	97	100	101
1% increase in inflation on supplies and services	-133	-136	-130	-130
1% increase in employee costs	-90	-94	-98	-100

9.8. The results of this sensitivity analysis are that the Council has a robust financial base and sufficient reserves to manage the MTFP as laid out but that circumstances that led to all the items considered occurring together would represent a serious financial risk to the Council. However, we consider this to be an unlikely situation and continue to monitor and manage the delivery of the Council's financial plans in the light of all factors that it faces and instigate mitigation plans as appropriate.

10. Consultation

10.1. The Budget setting and Medium Term Financial Planning process provides the Council with the opportunity to plan its delivery of public services in accordance with local priorities against the availability of funding and the financial challenges the Council faces.

10.2. The Council is committed to consulting with residents and other stakeholders to help inform the budget setting process and spending priorities, or non-priorities. Views on the budget are sought from local businesses via the Council's quarterly business newsletter and from residents on specific service-related issues via snap on-line surveys during the year.

10.3. Specific service charges are consulted on throughout the year and results used to shape the review. General comments can be submitted via the Council website https://www.staffsmoorlands.gov.uk/article/1429/Our-future-financial-plans. This feedback is considered in the Council's financial planning and informs the budget setting process.

ANNEX A

Proposed Capital Programme (2025/26 to 2029/30)

Capital Schemes	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£	£	£	£	£	£
Asset Management Plan						
Public Buildings	102,000	3,774,000	-	669,440	866,130	5,411,570
Car Parks	274,250	99,500	-	-	131,020	504,770
Public Conveniences	-	140,000	-	165,460	50,000	355,460
Infrastructure/Waterways	344,780	-	-	100,000	100,000	544,780
Leisure Centres	107,740	498,900	176,550	2,232,670	1,035,650	4,051,510
Depots & Park Buildings	29,790	11,210	-	91,610	112,320	244,930
Industrial Units	16,380	50,720	-	210,380	10,000	287,480
	874,940	**4,574,330**	**176,550**	**3,469,560**	**2,305,120**	**11,400,500**
Disabled Facilities Grants	**3,334,930**	**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**	**12,134,930**
ICT Projects	**39,890**	**353,630**	**49,870**	**-**	**-**	**443,390**
Fleet Management	**418,660**	**287,500**	**171,500**	**533,000**	**3,443,000**	**4,853,660**
Regeneration						
Conservation	81,290	63,410	50,000	42,000	25,000	261,700
Market Town Regeneration	110,000	131,500	131,500	-	-	373,000
	191,290	**194,910**	**181,500**	**42,000**	**25,000**	**634,700**
Leisure						
BVLC Energy Efficiency Works	304,530	390,000	-	-	-	694,530
Outdoor Sports Facilities	52,270	50,000	65,240	50,000	-	217,510
Public Parks/Play Facilities	124,790	140,000	-	-	-	264,790
	481,590	**580,000**	**65,240**	**50,000**	**-**	**1,176,830**
Other Schemes						
Food waste Collection	1,017,290	-	-	-	-	1,017,290
Forsbrook Community Facilities	162,400	-	-	-	-	162,400
	1,179,690	**-**	**-**	**-**	**-**	**1,179,690**
Levelling up Fund (LUF)						
LUF Matched Funding	-	462,200	-	600,000	-	1,062,200
Nicholson Institute	1,000,000	2,395,440	-	-	-	3,395,440
Brough Park Leisure Centre	10,311,350	2,500,000	-	-	-	12,811,350
	11,311,350	**5,357,640**	**-**	**600,000**	**-**	**17,268,990**
TOTAL PROGRAMME	**17,832,340**	**13,548,010**	**2,844,660**	**6,894,560**	**7,973,120**	**49,092,690**

ANNEX B

Category	Risk	Mitigation and Controls
Financial Implications	Robustness of financial assumptions within Efficiency and Rationalisation Strategy	Structured project management arrangements have been put in place with detailed business cases for each initiative – these will be strengthened in the service review process
	Additional financial pressures emerge – cost inflation & income	The strategy is kept under constant review and adjustments will be made where necessary.
Service Continuity	Interruptions to key services or performance standards	Resource implications and impact are identified as part of the business case process. Service continuity and maintenance of standards of service are key requirements of any new proposals.
Corporate Governance	Maintaining stakeholder confidence; lack of clarity on accountability	Ongoing review of standards of internal control (e.g. Financial Procedure Rules reviewed and updated). Internal Audit Plan takes into account the new approach.
Management of Change	Management of corporate and local, cultural change; behavioural risks; residual effects of aggregation; proposed changes to organisational structure, roles & responsibilities	Progress with achievement of aims will be monitored through an effective performance management structure. Investment has been made in a new approach to Organisational Development.
People Risks	Impact of cultural changes, assessment of skills, recruitment & retention, capacity issues	Continuing communications process for the delivery of transformation programme
Key Projects & Partnerships	Managing changes to shared service delivery arrangements	The project management methodology provides for an adequate transition where there are changes in service delivery
Performance Management	Adequacy of framework to monitor transition	Risk management processes are embedded
Reputation & Relationship Risks	Maintaining existing partner confidence	Continuing communications process for the delivery of transformation programme
Programme Delivery	Delays in implementation of efficiency savings	Effective governance arrangements in place to monitor plans.
		Executive Directors and Senior Managers own delivery of efficiencies.
		Chief Executive Director acts as programme director.
	A number of the efficiency / rationalisation initiatives are not achieved	Structured project management approach is in place for delivery including effective exception reporting
		The strategy is kept under constant review
		Identification of further efficiency / rationalisation opportunities through benchmarking / effective member working groups
LGR risks	Preparations for LGR impact the Council's ability to deliver services	Review as transition evolves
Political Support	Lack of Members support for Plan.	Regular reporting and member briefings including effective scrutiny arrangements

ANNEX C Chief Finance Officer's Review of Contingencies/ Reserves

Chief Finance Officer's Section 25 Review

The purpose of this statement is to provide councillors with information on the robustness of the estimates and the adequacy of reserves in the Medium Term Financial Plan (MTFP).

Background

The Council sets its budget in February each year. In setting the budget, the level of Council Tax and other fees and charges are established. Decisions are based on a budget that sets out estimates of what the Council plans to spend on each of its services in the forthcoming year.

Decisions on income are taken before the financial year begins and cannot be changed during the year, so contingencies or allowances for risks and uncertainties that might increase service expenditure above that planned, must be made by:

- Making prudent allowance in the estimates for each of the services
- Ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient

Section 25 of the Local Government Act 2003 requires that the Council's Chief Finance Officer reports to Full Council when it is considering its Budget for the forthcoming financial year. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so that councillors have professional, authoritative advice available to them when they make their decisions. Section 25 also requires members to have regard to this report in making their decisions.

Robustness of Spending Forecasts

Heads of Service in conjunction with the Council's Head of Finance monitor detailed budgets throughout the year. This enables additional service pressures to be identified on an on-going basis.

Reports are presented on a quarterly basis to the Finance & Performance Scrutiny Committee and Cabinet. These reports highlight all variances between spending and budgets.

The proposal for the Budget for the forthcoming year and updated MTFP is based on analysis and assurances from Heads of Service and their finance support staff. Cabinet Portfolio Holders have worked with their respective Executive Directors throughout the process. Finance & Performance members scrutinise the progress of spending throughout the year and receive an initial report on the draft MTFP in the preceding November which sets out the initial financial scenario for the MTFP.

Extensive work is carried out to produce the MTFP. A range of assumptions and expert forecasts are utilised and challenged robustly as part of the process. Forecasts take account of the financial commitments that emerge from the Council's Corporate Plan.

The Council has taken all reasonable and practical steps to identify and make provision for the Council's commitments for the forthcoming years to achieve a balanced budget.

Robustness of Income Forecasts

The level of Council Tax has been established with reference to the maximum increase allowed without requiring a referendum. The forecasts of the business rates that will be retained by the Council have been calculated in line with the current Business Rates Retention Scheme. The forecasts take account of the following:

- The baseline income set by government
- The award of reliefs and the receipt of Section 31 grants to compensate
- Adequate provision to meet the impact of successful appeals
- Predicted levels of business rates income are based on known and expected changes to the business rates listing

The level of fees and charges has been assessed in conjunction with Heads of Service. The proposed levels for the forthcoming year take account of the following factors in line with the Council's Charging Policy:

- The cost of providing services should be fully met by income
- There is a standard approach to concessions for those on low incomes
- Where a subsidy is agreed, this should be used to support the development of Council services in accordance with priorities
- Subsidies should be reconfirmed annually

Key Budget Risks

The volatility of the national and international economic situation remains challenging and unpredictable. The potential impact of interest rates and inflation continues to be monitored as they can have profound impact on our resources.

During the preparation of the MTFP, SMDC has worked with Mutual Ventures to prepare and submit its proposal for the configuration of LGR in the county. However, at the time of writing, the assessment of the submissions by government is underway, and the outcome is not expected to be known until the summer. Whilst the Council is pressing ahead with preparations for LGR internally to be in an advanced stage once the decision is announced, there remains an uncertainty and risk around this process.

Adequacy of Reserves

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Local Authority Accounting Panel (LAAP) has a guidance note on Local Authority Reserves and Balances (LAAP Bulletin 77) to assist local authorities in this process. This guidance is not statutory, but compliance is recommended in CIPFA's Statement on the Role of the Finance Director in Local Government. It is best practice to follow this guidance.

The guidance however states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of budget. Each Local Authority should take advice from its Chief Finance Officer and base its judgement on local circumstances.

Reserves should be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- A means of building up funds known as 'earmarked reserves', to meet known or predicted funding requirements

The CIPFA Guidance highlights a range of factors, in addition to cash flow requirements, that Councils should consider including:

- The treatment of inflation
- The treatment of demand led pressures
- Efficiency savings
- Partnerships
- The general financial climate, including the impact on investment income

The guidance also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term option. If the Council chooses to use reserves as recommended within the Budget, appropriate action will need to be factored into the MTFP to ensure that this is addressed over time.

The risk assessment process has identified several key risks which could impact on the Council's resources. The Council continues to face significant funding challenges and on-going budget pressures. With these risks in mind, it is recommended that the Council adopts a policy for reserves as follows:

- Set aside sufficient sums in earmarked reserves that it considers prudent. These reserves are established as are required and are reviewed regularly for both adequacy and purpose and levels are reporting appropriately in line with the established reporting processes
- General Reserves are maintained to be at least at the level of the contingency requirement calculated with reference to LAAP Bulletin 77 and reported to Council as part of the approved MTFP

Earmarked reserves have been established to provide resources for specific purposes.

Opinion

In my professional view, if the Council were to accept the current MTFP then the level of risks identified in the budget process, alongside the Council's financial management arrangements suggest that the level of reserves is adequate.

Martin Owen FCCA
Executive Director (Resources) S151 Officer

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APPENDIX B CAPITAL STRATEGY 2026/27

1. Introduction & Background

1.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities requires local authorities to produce a 'Capital Strategy'. The purpose of the Capital Strategy is to demonstrate that the Council's capital expenditure and investment decisions are taken in line with corporate priorities and properly take account of Stewardship, Value for money, Prudence, Sustainability, and Affordability

1.2. The Capital Strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future sustainability. It allows authorities to give greater weight to local circumstances and explain their approach to borrowing and investment.

1.3. The Capital Strategy forms part of the Council's integrated revenue, capital financial planning and sets out the long-term context in which capital expenditure and investment decisions are made. It is an integral component of the Medium Term Financial Plan (MTFP) and is aligned with the Council's Corporate Plan, Asset Management Strategy, and Treasury Management Strategy.

1.4. The strategy will provide for a balanced, sustainable capital programme over the medium term planning period ensuring that limited resources are applied in the most effective, efficient and economical way to contribute to the achievement of the Council's Corporate Plan.

1.5. The strategy sets out how the Council will prioritise its capital spending plans within the resources available and indicates the action to be taken to maximise resources for capital spending. The strategy is strategic in nature and will focus upon the process for determining capital investment priorities.

1.6. The strategy sets out the strategic approach to the management of debt and borrowing. The detailed implications of this are contained within the Treasury Management Strategy (TMS) which is updated annually.

1.7. The Capital Strategy will be updated annually alongside the Council's MTFP. There will also be a fundamental review of the strategy alongside a revision of the Corporate Plan.

2. Corporate Priorities

2.1. The Capital Strategy is driven by local priorities. The Council's spending strategy is set out in the Corporate Plan formally adopted by Members of the Council. The delivery of the Corporate Plan is measured through the

Performance Framework and monitored using a set of local performance indicators and targets established for the coming year. The Medium Term Financial Plan reflects the contents of the plan, ensuring that resources are directed towards key priorities.

2.2. The Council's vision is expressed as *"***Achieving Excellence in the delivery of high quality services that meet the needs and aspirations of our communities***"* This vision is articulated further by four aims, which are supported by several objectives to provide the framework for the delivery of service plans. The Council's objectives are summarised below:

Aim		Objectives
1	Help create a safer and healthier environment for our communities to live and work	Increased supply of good quality affordable homes
		Develop a positive relationship with communities
		Effective relationship with strategic partners
		Effective support of community safety arrangements including CCTV
		Provision of sports facilities and leisure opportunities focused upon improving health
		Enhance the distinctive culture, creativity and heritage of the district
		Improve residents access to benefits and financial support
2	Use resources effectively and provide value for money	Effective use of financial and other resources to ensure value for money
		Ensure services are easily available to all our residents in the appropriate channels and provided "right first time"
		A high performing and well- motivated workforce
		Effective procurement with a focus on local business
		Effective use of ICT
		More effective use of Council assets
		Strong and effective democratic processes
3	Help create a strong economy by supporting further regeneration of towns and villages	Encourage business growth including start-ups and enterprises
		Flourishing town centres that support the local economy
		Encourage and develop tourism
		High quality development and building control with an "open for business" approach
		Maintain and deliver an effective Local Plan
4	Protect and improve the environment	Effective recycling and waste management
		Meeting the challenges of climate change
		Provision of high-quality public amenities, clean streets and environmental health
		Provision of quality parks and open spaces
		Car parking arrangements that meet the needs of residents, businesses and visitors

2.3. The Council is committed in the time it has left to playing the lead role in championing the local area. In so doing the Council recognises its community leadership role. Fulfilling this role means influencing partners in a number of key areas such as reducing crime, the fear of crime and anti-social behaviour, ensuring effective health provision, being a champion and lobbying government for the devolution of powers and funding to local authorities, improving provision of public transport that connects our market towns and villages, improving access and traffic flows to our town centres and ensuring there is collective action on climate change. The Plan identifies key priority outcomes, which will be the highest priority in the development of

performance targets and key actions. A significant proportion of the Council's resources will be directed towards achieving them:

Aim	Key Priority Outcomes
Help create a safer and healthier environment for our communities to live and work	An increased supply of quality affordable homes
	Improved health
	Improved community safety
Use resources effectively and provide value for money	Providing value for money council services
	High levels of resident and customer satisfaction
Help create a strong economy by supporting further regeneration of towns and villages	Sustainable towns and rural communities
	Increased economic growth
	Increased tourism
Protect and improve the environment	High recycling rates
	Reduced carbon emissions

2.4. The Cabinet has reviewed the Corporate Plan to refocus it within the context of LGR and the remaining life of the Authority. The outcome of this review is scheduled to be presented to Full Council in February 2026.

2.5. The Council maintains a Strategic Alliance with High Peak Borough Council, formed around the principle of shared services in the pursuit of efficiency and realisation of savings. The Strategic Alliance has enabled the implementation and transformation of a joint management structure and services, consequently realising significant efficiency savings. The implications of LGR mean that this arrangement will come to an end on 31 March 2028 and the Council must plan for the cessation of the Alliance in that timeframe. Until that time, the joint service arrangement in place under the Alliance will remain the means by which the Council continues to deliver high quality services to business and residents.

3. Capital Spending Priorities

3.1. The Council's capital investment priorities are determined by the corporate priorities set out above. The key capital investment priorities for the Council are therefore as follows:

Corporate Property: the Council will invest in maintaining the properties that support the delivery of services direct to residents.

Other Corporate Assets: the Council will invest in other assets that support the delivery of services e.g. transport fleet.

Affordable Housing & Private Sector Housing Renewal: the Council will support the development of affordable housing and investment in the improvement in housing conditions throughout the district.

Enabling Growth: the Council will support the growth of business and employment opportunities within the district in addition to housing development in line with the commitments set out in the Local Plan.

Service Transformation: the Council will invest in projects that improve service performance or reduce service expenditure on an "invest to save" basis. The review of future IT system requirements is being reassessed because of LGR, with the focus switching to optimising current system provision and away from long-term investment in new systems.

4. Asset Management Planning

4.1. The overriding objective of asset management is to ensure that the Council maintains a portfolio of property assets that is appropriate, fit for purpose and affordable.

4.2. The Council's property portfolio consists of:

- **Operational property** i.e. assets that support core business and service delivery
- **Investment properties** held to support economic growth and/ or to provide a financial return to the Council e.g. industrial units
- **Community assets** e.g. parks, playgrounds and open spaces.

4.3. Asset management is an important part of the council's management arrangements and is crucial to the delivery of value for money services. The Council through production of its Asset Management Plan (AMP) is committed to:

- Optimise the Council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal
- A regular review of the condition of retained properties including a long-term (30-year) assessment of the necessary investment to maintain the assets fit for purpose
- Realise the value of any properties that have been declared surplus to requirements in a timely manner, having regard to the market conditions

5. Service delivery & commercial activities and investments

5.1. The CIPFA Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes:

Treasury management Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

5.2. Treasury management investments are considered in the Treasury Management Strategy Statement, whereas Service delivery and Commercial return are considered to be Non-Treasury investments and, as such, are considered here in the Capital Strategy.

5.3. Service delivery investments could include projects contributing to the achievement of the Council's Corporate Plan ambitions for example on housing and regeneration; or investments in a company in which the Council has a stake and is established for the delivery of Council services.

5.4. Commercial investments may include investments explicitly taken with the aim of making a financial surplus for the Council or be fixed assets which are held primarily for financial benefit or to support economic growth. Reasons for commercial investments include: financial returns to fund services to residents, reductions in service spending; pursuing the Council's Growth Strategy; or economic development and regeneration activity in the district.

5.5. The Council will consider options to invest prudently on a commercial basis and to take advantage of opportunities as they present themselves, supported by our robust governance process.

5.6. Such investments do not always give priority to security and liquidity over yield. In these cases, such a decision will be explicit, with the additional risks set out and the impact on financial sustainability identified and reported. Before considering any such investments the Council will ensure that it has the appropriate legal powers to undertake such investments, that there is no wider detrimental impact to the Council in progressing a commercial investment (e.g. around overall borrowing powers), and that any investment is proportionate of all investments in order to avoid an excessive level of risk.

5.7. The commercial investments may involve the acquisition of property. The Chartered Institute of Public Finance and Accountancy (CIPFA) define investment property as property held solely to earn rentals or for capital appreciation or both. Historically, property has provided strong investment returns in terms of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant. These risks will continue to be identified and managed through the Council's Risk Management Framework.

6. Loans to Third Parties

6.1. The Council has discretion to grant loans to third parties for several reasons. These loans are treated as capital expenditure. In making loans the Council is exposing itself to the risk that the borrower defaults on repayments. The Council, in making these loans, will therefore ensure they are prudent and that the risks have been identified and fully considered.

6.2. The Council will periodically review its loan portfolio to ensure that the cumulative exposure of the Council is proportionate and prudent.

6.3. The Council will ensure that a full due diligence exercise is undertaken for each individual loan and will ensure that adequate security is in place. The business case for each loan will consider all the benefits and the risks.

6.4. It will be necessary to assess the level of risk attached to the provision of each individual loan and consequently build in a 'risk premium' into the interest rate charges to account for this. The factors considered in determining this premium include: the level of security, financial position and credit rating, the overall term of the loan, and the value of the loan. The step-by-step process undertaken is outlined below:

- **Step 1 Assessing available market rates** In liaison with the Council's Advisors, the interest rate the third party would be expected to pay if accessing funding from the market (based on amount/loan term etc) is estimated. This is to ensure the rate the Council is offering is competitive and not undercutting the market. Reference is also made in this consideration to subsidy (formerly known as state aid) implications.
- **Step 2 Assessing credit quality** The next consideration is credit quality, which may then consequently reduce/ increase the rate. Factors that are considered include: credit ratings (if applicable), the financial position of the borrower, availability and offer of security against the loan.
- **Step 3 Assessment of the Corporate Plan objectives** Finally, there is an overall assessment of the purpose of the third-party loan and linking this to the Council's Corporate Plan objectives. Local factors based on the outcomes of the loan may have an influence on the rate charged.

6.5. All loans are agreed by full Council in line with the Council's constitution. All loans will also be subject to regular monitoring.

7. Capital Expenditure

7.1. Capital spending decisions will appropriately reflect the aspirations and priorities included within the Corporate Plan and its supporting strategies.

7.2. Any scheme/ project to be added to the Capital Programme will be subject to a 'gateway' process and prioritised according to availability of resources and the longer-term impact on the Council's financial position. The 'gateway' process will be undertaken in line with the Council's agreed project management methodology with a robust business case being developed at the critical stages of project approval and initiation. This process will be overseen by the Council's Transformation Board.

7.3. The business case will include the following considerations:

- A clear assessment of the cost of financing the capital scheme, net of revenue benefits, profiled over the lifetime of each scheme; and
- Commissioning and procuring for capital schemes will comply with the requirements set out in the Council's Procurement Procedure Rules.

7.4. The Capital Strategy and the Capital Programme will be agreed by the Council in February each year as part of the budget setting process. The Medium Term Financial Plan, Asset Management Plan and Treasury Management Strategy

will be considered at the same time. In year variations of spend (subject to budget tolerance levels) and the re-profiling of schemes will be considered and approved by Cabinet.

7.5. Cabinet considers and approves new bids for inclusion in the capital programme Inclusion of capital schemes within the MTFP is part of forward planning. Full Governance must be completed to obtain approval to spend.

7.6. The Cabinet and the Finance and Performance Committee receive capital monitoring reports as part of the quarterly performance and financial monitoring reports.

7.7. Each approved scheme will be included in the Council's Transformation Programme and one of the Council's Alliance Management Team (AMT) will be assigned as Project Executive and will be responsible / accountable for the delivery of the scheme.

7.8. Wherever possible the Council takes a long-term view of plans to assess affordability and the demand on future capital resources. It is essential for example to consider the lifespan and fitness for purpose of assets. This will be considered through asset management planning (condition surveys) and wider service based exercises e.g. leisure centre provision evaluation.

7.9. There is a clear demand for long term planning for capital and treasury management purposes. The Council's current debt portfolio contains loans that mature up to 2032. The debt repayment profile needs to be managed alongside the longer term expectations for capital expenditure and funding forecasts.

7.10. Long-term forecasts are not easily predicted, and the accuracy of all financial estimates will be limited. However, long-term forecasting is valuable in informing strategic plans taking account of the cumulative sustainability and affordability of existing and planned investments which will need to be repaid over future periods. For major projects and investment, the funding and financial implications need to be planned well in advance.

8. Resourcing Capital Expenditure

8.1. To fund its capital investment, the Council will have access to limited sources of funding. The main sources of funding are:

Capital Receipts These will be yielded from the disposal of land and property. A programme of disposal will be agreed by the Cabinet. This will be informed by the asset management planning process. In considering disposals the Council will take account of; potential loss of income from investment properties, projected saving in running costs, and capital costs of major investment required, assessment against fitness of premises for purpose and current patterns of need.

The Secretary of State has allowed the flexible use of capital receipts. It is considered that individual local authorities will be best placed to decide which projects will be most effective for their area. The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings. If the Council plans to use

this funding option a proposal will be prepared setting out the planned use, listing the projects and the expected savings and/ or improvements in service outcomes for each project, and the impact on the Council's prudential indicators.

Borrowing Capital projects that cannot be funded from any other source can be funded from borrowing. Local Authorities can borrow to fund schemes where it is prudent to so. They need to consider their ability to pay for the borrowing. The levels of borrowing are determined by using the indicators set out in the Prudential Code. The borrowing repayment and interest charges on the loan need to be met from existing revenue budgets or identify them as new growth in the annual budget setting process and factor them into the MTFP.

The Chief Finance Officer will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested and the impact of the Council's borrowing will be reported in the Treasury Management Strategy alongside the Prudential Indicators required by CIPFA's Prudential Code for Capital Finance The Chief Finance Officer will also determine whether the borrowing should be from internal resources or whether to enter into external borrowing. This decision making will be undertaken in line with the Council's Treasury Strategy and will be reported to the Audit & Accounts Committee as part of the monitoring of treasury management activity.

Revenue Funding The Council may use revenue budgets to fund capital expenditure. This may be via a capital reserve which has been established to finance capital expenditure as an alternative to external borrowing. The Council will formally review such reserves and their application both as part of the budget setting process and at finalisation of the annual accounts.

S106 contributions The principal purpose of S106 agreements is to support individual planning applications in line with the Council's planning policies. Wider contributions are constrained by legislation and must be negotiated and justified. The Council will ensure these are where possible focussed towards corporate priorities subject to the legislative constraints.

External Grant Funding The Council has a history of success in bidding for grants from a number of sources. There is a risk of reacting to funding opportunities informed by external priorities rather than chasing those that match the Council's priorities/ needs. The Council will seek to ensure that bids are submitted to support investment that is directed to the commitments made in the Corporate Plan.

Partnership Funding There are several examples where the Council has attracted third party funding from partners e.g. leisure centre investment from long-term contractor. The Council is aware of the need to be innovative and to work closely with the private, public and voluntary Sectors to deliver outcomes in line with the Corporate Plan priorities at a time when there will be reduced levels of capital resources. Any such investments will be considered only if they are more cost effective than the Council investing directly.

9. Forecast Expenditure and Resources

9.1. Paragraph 3 and Annex A of the MTFP Appendix A presents the capital programme including detail about the major elements of the programme and shows how they are funded or where they give rise to a borrowing requirement:

Service Area	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£	£	£	£	£	£
Asset Management Plan	874,940	4,574,330	176,550	3,469,560	2,305,120	11,400,500
Housing Grants	3,334,930	2,200,000	2,200,000	2,200,000	2,200,000	12,134,930
ICT Strategy	39,890	353,630	49,870	-	-	443,390
Fleet Management	418,660	287,500	171,500	533,000	3,443,000	4,853,660
Leisure	481,590	580,000	65,240	50,000	-	1,176,830
Regeneration	191,290	194,910	181,500	42,000	25,000	634,700
Levelling Up Fund	11,311,350	5,357,640	-	600,000	-	17,268,990
Food Waste Collection	1,017,290	-	-	-	-	1,017,290
Community Facilities	162,400	-	-	-	-	162,400
Total Revised Programme	**17,832,340**	**13,548,010**	**2,844,660**	**6,894,560**	**7,973,120**	**49,092,690**
Financed by:						
External Contributions	15,194,430	2,200,000	2,200,000	2,200,000	2,200,000	23,994,430
Revenue Reserves	6,200	17,000	1,000	-	42,500	66,700
Capital Reserves	-	-	-	-	600,000	600,000
Borrowing	2,631,710	11,331,010	643,660	4,694,560	5,130,620	24,431,560
Total Revised Financing	**17,832,340**	**13,548,010**	**2,844,660**	**6,894,560**	**7,973,120**	**49,092,690**

10. Long-term Considerations

10.1. There are a number of functions where long term capital spending liabilities have been identified.

10.2. **Asset Management Plan** The Council continually revises the Asset Management Strategy to ensure the future delivery of efficient asset management. This incorporates condition surveys which provide indicative 30-year costs of maintaining the asset stock. The MTFP includes the impacts up to 2029/30.

Capital Schemes	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£	£	£	£	£	£
Asset Management Plan						
Public Buildings	102,000	3,774,000	-	669,440	866,130	5,411,570
Car Parks	274,250	99,500	-	-	131,020	504,770
Public Conveniences	-	140,000	-	165,460	50,000	355,460
Infrastructure/Waterways	344,780	-	-	100,000	100,000	544,780
Leisure Centres	107,740	498,900	176,550	2,232,670	1,035,650	4,051,510
Depots & Park Buildings	29,790	11,210	-	91,610	112,320	244,930
Industrial Units	16,380	50,720	-	210,380	10,000	287,480
	874,940	**4,574,330**	**176,550**	**3,469,560**	**2,305,120**	**11,400,500**

10.3. The overall outcomes of the surveys can be summarised as follows:

- Many of the Council's operational assets are dated in appearance and require investment
- There are structural issues associated with several of the Council's buildings, which require correction
- There are several health and safety requirements related works that need to be carried out
- Investment is required to the electrical and mechanical infrastructure of a number of buildings

10.4. In order to address the uncertainty of affordability for the longer term plan, the Council agreed to a number of actions to reduce the impact of the necessary capital spending, which should be considered before investment in each of the assets is made: asset rationalisation, shared use of assets, reduction in specification and functionality, generate additional capital receipts, identify grants to support investment, generate additional revenue from asset holdings.

10.5. **Review of Strategic Land Holdings** In order to address the considerations above the Council agreed to review its strategic land holdings with a view to developing options to either generate additional capital receipts or opportunities to generate ongoing financial returns. The outcome of this review is reflected in the revised programme funding.

10.6. **Leisure Centres:** The Future Leisure Provision review concluded that major investment was needed to upgrade the provision of leisure facilities across the District and provide a sustainable solution to meet customer needs, affordability, and partner aspirations, whilst supporting the overall vision of the Council's Move More Strategy.

10.7. The major projects that emerged from the review included works at Brough Park Leisure Centre to replace the pool and reconfigure the sports hall for which LUF funding has been secured and is now underway.

10.8. The Future Leisure Provision review continues to consider options for the following significant refurbishment works:

- Replacement of South Moorlands Leisure Centre with smaller community pool and fitness offer
- Refurbishment and essential works at Biddulph Valley Leisure Centre in addition to the works being undertaken as part of the carbon reduction programme partly funded by the Public Sector Decarbonisation Scheme.

10.9. The indicative capital cost for these investments is significantly in excess of revenue savings. Consequently, it will be necessary for the Council to identify additional sources of capital investment or reductions in the capital costs, to deliver these improvements.

10.10. **Operational Depot Provision** Major investments in the operational depot facilities which have been leased/ licensed to Alliance Environmental Services Ltd (AES) has been included in the capital programme reflecting the need to

fundamentally change the layout of the depot at Fowlchurch in order to meet the extended requirements of Food Waste collections and Simpler Recycling, whilst also complying with the Operator Licence.

11. Debt, Borrowing & Treasury Management

11.1. Effective treasury management is critical to the safeguarding and management of the financial resources at the Council's disposal. Investment and borrowing decisions are made in accordance with the Council's formally adopted Treasury Management Strategy. The Treasury Management Strategy is presented annually and approved by Full Council.

11.2. There are key prudential indicators set in respect of the impact of capital expenditure. The report details the forecast borrowing requirement over a four year period, the consequential borrowing costs and the impact of the Council's capital financing requirement (CFR). The CFR is total outstanding capital expenditure which has not yet been paid for either from revenue or capital resources, essentially the Council's underlying borrowing need.

11.3. The table below summarises the impact of the Council's capital expenditure plans on the CFR:

	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	Estimate	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Financing Requirement	**13,718**	**24,722**	**24,812**	**28,941**	**33,438**
Movement in CFR	2,358	11,004	90	4,129	4,497
Represented by:					
Net financing need for the year	2,632	11,331	644	4,695	5,131
Less Minimum Revenue Provision	(274)	(327)	(554)	(566)	(634)
Movement in CFR	**2,358**	**11,004**	**90**	**4,129**	**4,497**

11.4. Where a borrowing requirement is identified, an assessment takes place on the most cost-effective way to fund this. This could result in 'external borrowing' from the Public Works Loan Board (PWLB), other Local Authorities, direct from the market or by utilising lease arrangements.

11.5. Alternatively, 'internal borrowing' (the use of cash balances) could be used temporarily, particularly in the current interest rate climate where borrowing rates are currently high and predicted to fall towards the end of the MTFP. This is kept under careful review balancing temporary availability of cash reserves with interest rate forecasts.

11.6. The Council's forward debt projections are shown in the table below in relation to the CFR:

	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	Estimate	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
External Borrowing	12,104	17,000	18,500	21,000	24,000
Other long-term liabilities	96	65	34	4	0
Gross Debt at 31 March	**12,200**	**17,065**	**18,534**	**21,004**	**24,000**
Change in Debt position	970	4,865	1,469	2,470	2,996
Capital Financing Requirement	13,718	24,722	24,812	28,941	33,438
(Under)/ over borrowing*	**(1,518)**	**(7,657)**	**(6,278)**	**(7,937)**	**(9,438)**

** Subject to considerations around whether to externally / internally borrow*

12. Risk Management

12.1. There are several key risks that will impact upon the successful implementation of the Council's Capital Strategy.

12.2. The Council operates effective risk management through its Risk Management Framework. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the Council caused by undesired events and of ensuring that the element of risk in all activities is properly understood.

12.3. To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored. It is important to identify the appetite for risk by each scheme and for the capital programme overall, especially when investing in capital assets held primarily for financial returns.

12.4. An assessment of risk should therefore be built into each individual capital project and the major risks that identified should be recorded in the Projects Risk Register which is reported to the Council's Audit & Accounts Committee.

12.5. The risks associated with the Capital Strategy are detailed below with the mitigating actions:

Risk	Mitigating Actions
Diminishing Resources	The Capital Financing Requirement (CFR) carefully monitored and managed
	New grant/ funding opportunities explored
	Partnership opportunities explored to share investment
Project Delivery	Spending / Funding closely monitored
	Projects managed through the Council's project management methodology
	Major projects reported through the council's performance framework
Commercial Investments	Exposure to non-repayment carefully managed through the contract management arrangements
	Disinvestment potential will be regularly considered
VAT Partial Exemption	Each capital investment will be closely reviewed to assess its VAT implications.

APPENDIX [ ]

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

PROCUREMENT FORWARD PLAN 2026/27

1. Introduction

1.1 The Council's Procurement Procedure Rules were revised and came into effect in October 2025. These updates align the Council's internal procurement processes with the requirements of the Procurement Act 2023, replacing the previous framework under the Public Contracts Regulations 2015. The revised rules set out the mandatory procedures to ensure full compliance with the new legislative standards.

1.2 The Council Joint Procurement Strategy, originally developed in 2022 is now being updated. The revised strategy will span 2026–2029 and will focus on key objectives designed to support the Council's Corporate Plan. Then the revised strategy will also align with the embed principles of the new National Procurement Policy Statement (NPPS), ensuring compliance and delivering strategic outcomes .including

- Driving Economic Growth
- Delivering social and economic value
- Building commercial and professional capability to deliver value for money and stronger outcomes
- Delivering Social Value (CSR) through our Contracts
- Maintaining Transparency and collaboration promoting early market engagement.
- Commercial focus and effective Contract Management

1.3 The Council will work to achieve these priorities by adopting and continuing to implement the following key themes which underpin the procurement procedure rules.

- Showing Leadership
- Behaving Commercially
- Achieving Community Benefits
- Environmental Sustainability
- Ethical Sourcing

2. Authorisation to Procure and Award

2.1 As set out in the procurement procedure rules the Procurement Forward Plan is reported as part of the Budget and Medium Term Financial Plan in February each year.

2.2 This identifies all planned procurement activity to be completed in the following financial year, with approval sought to commence procurement of all activity listed. Performance and activity (including confirmation of award) against the forward plan would then be monitored and reported within the Quarterly Procurement Report to Committee.

2.3 The sourcing thresholds and approvals along with the award and exemptions authorisation limits were updated as part of the refresh under the updated procurement procedure rules, the updated thresholds are:

Sourcing Thresholds and Approvals:

Expected Contract Value (£)	Sourcing method	Method/ Means
0-£5,000	Best Value	Officers should be able to demonstrate best value has been achieved. Local suppliers should be preferred.
£5,001-£10,000	Informal Quotes	Procurement Web-form Informal Quotations obtained and uploaded onto Web form A minimum of one local supplier should be invited if practicable.
£10,001 - £30,000	Request for quotations Via Procurement	Procurement web form and E tendering portals and advertisements – Open to local suppliers
£30,001 – Public contract threshold (£207,720)	Tender (ITT) One Stage	Procurement web form and E tendering portals and advertisements – Open to local suppliers
>Public Contract threshold (£207,720)	Tender (ITT) One stage / CFP Competitive flexible procedure	Procurement web form and E tendering portals and advertisements –

Award and Exemptions Authorisation Limits:

Total Contract Value (£)	Authorisation	Authorisation By
<30,000	Head of Service / Executive Director	Procurement Web-form
>30,001 - <207,720 (Public contract Threshold)	Executive Director / Chief Executive	Procurement Web-form
>207,721 (Public contract threshold)**- <1,000,000**	Delegated Member Decision	Delegated Member Report (Portfolio Holder for Procurement and the relevant service area)
>1,000,000*	Cabinet (with Prior scrutiny committee)	Committee Report

** Committee reports may be presented where the total contract value is less than £1,000,000 - where considered appropriate due to the nature of the procurement or where it relates to a key decision*

2.4 A Procurement policy note was issued in November 2025 advising of the new threshold amounts which govern the procedures for the award of public contracts for good, works and services as set out in the procurement act 2023 The Public contract thresholds are reviewed every two years to reflect current market conditions and international compliance, The threshold amounts were changed with effect from 1st January 2026. The below figures are inclusive of VAT.

Public Contract Threshold Change:	2024-2026	2026-2028
Works Contracts	5,372,609	5,193,000.00
Small Lots	884,720	884,720.00
Supply, Services and Design Contracts	214,904	207,720.00
Social and other specific Services Light Touch Regime	663,540	663,540.00
Subsidised services contracts	214,904	207,720.00
Concession Contracts	5,372,609	5,193,000.00

2.5 The thresholds for supply, service and design contracts has been reduced along with the works threshold creating a reduction in thresholds will increase the number of tender exercises that now fall within the Procurement act remit and increase the volume of transparency reporting requirements.

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2.6 Any procurement activity undertaken during the year which was not included on the forward plan will also follow the authorisation rules (to procure/award) as detailed above - and detail will be included within the Quarterly Procurement Report.

2.7 Irrespective of the total contract value, Committee reports may be presented to Executive to obtain authority to procure and award where considered appropriate due to the nature of the procurement or where it relates to a key decision.

3.0 Procurement Forward Plan 2026/27

3.1 The Procurement Forward Plan, detailing all high value anticipated procurement activity during 2026/27, is detailed at **ANNEX A.** This includes high value activity specific to High Peak B.C. and also any joint procurement activity with Alliance partner Staffordshire Moorlands D.C. Routine lower value exercises will be approved to procure in accordance with the Financial thresholds as set out in the Procurement Procedure Rules.

4.0 Procurement undertaken by Agent

4.1 In addition to procurement activity commissioned by the Council, there may also be procurement activity commissioned via an agent on behalf of the Council where appropriate to do so.

4.2 The Council controlled companies and strategic supply partners under contract clauses permitting, may undertake procurement on behalf of the councils, where this will be funded by the Council e.g. capital programme projects.

4.3 Agents delegated to procure contracts on behalf of the Council, where the Council is the Contracting Authority, will be required to procure in compliance to the procurement act for above threshold contracts and for contracts for lower values the agent must demonstrate that their procurement practice is as robust and transparent and in accordance with their procurement procedure rules ensuring the principles of transparency and value for money.

ANNEX A

PROCUREMENT FORWARD PLAN 26/27 – SMDC

Ref	Auth	Contract Title	Brief contract description	Capital or Revenue	Service Area	Total value of contract
1822	SMDC	Pump Track	Church Road – Biddulph Churchhill Road – Cheadle	Capital	Leisure & Environmental Services	£100,000
1816	SMDC	Churchhill – Cheadle	Recreational grounds	Capital	Leisure & Environmental Services	£400,000
1512	SMDC	Fowlchurch WDepot (Subject to approval)	Site re-development of facilities	Capital	Leisure & Environmental Services / Assets	£3,600,000
1839	SMDC	MyCheadle – Leisure Centre facilities	Fire alarm and security system	Revenue	Assets	£230,210
1842	SMDC	MyActive Biddulph – Leisure Centre facilities	Re wire of lighting and power	Revenue	Assets	£324,460
1926	SMDC	Sustainability Reserve budget	Various projects	Revenue	Communities & Climate change	£300,000
2190	SMDC	Fleet Replacement programme	2026/27 Vehicles	Capital	Finance	£269,000
2192	SMDC	MyActive Cheadle- Leisure Centre facilities	Pool AHU Air conditioning	Revenue	Assets	£254,000

2175	SMDC	Leisure Centres : Equipment purchase	My Active Biddulph My Active Cheadle	Capital	Leisure & Environmental Services	£390,000

PROCUREMENT FORWARD PLAN 25/26 – JOINT (HPBC/SMDC)

Ref	Auth	Contract Title	Brief contract description	Capital or Revenue	Service Area	Total value of contract
358	Joint	SOFTWARE Payments system	E- Payments System	Revenue	Transformation - ICT systems & Software	HP £229,381.45 SM £152,920.96
351	Joint	East Midlands Law share	Access Legal Framework for professional legal services	Revenue	Legal & Elections	HP £100,000 SM £100,000
1256	Joint	ITMS IT Managed Service contract	Fully managed IT support service contract	Revenue	Transformation - ICT systems & Software	HP £2,619,821.47 SM £1,746,547.65
1502	Joint	SOFTWARE Regeneration Software	Objective Keystone	Revenue	Transformation - ICT systems & Software	HP £40,416 SM £40,416
1571	Joint	ITC Infrastructure Projects	ITC Proposed Infrastructure upgrades	Capital & Revenue	Transformation - ICT systems & Software	HP £381,048.95 SM £254,032.64
1660	Joint	SOFTWARE Development control software	Planning system	Capital & Revenue	Transformation - ICT systems & Software	HP £154,002,.50 SM £154,002.50

1672	Joint	SOFTWARE GIS / LLPG Mapping	GIS / LLPG Mapping	Revenue	Transformation - ICT systems & Software	HP £120,000 SM £120,000
1765	Joint	M365 License Agreement	365 Enterprise agreement	Revenue	Transformation - ICT systems & Software	HP £354,300 SM £236,200
1909	Joint	Finance Management system Upgrade	Finance system	Revenue	Transformation - ICT systems & Software	HP £120,000 SM £80,000
1833	Joint	Car Park – New Signage	New Signage in car parks	Revenue	Assets	HP £112,460 SM £99,500
2165	Joint	Enterprise Architect Specialist	Enterprise architecture covering several service areas	Revenue	Transformation - ICT systems & Software	HP £619,370.70 SM £135,878.30