



Friday, 14 February 2025

Tel: 01285 623181

e-mail: democratic@cotswold.gov.uk

COUNCIL

A meeting of the Council will be held in the Council Chamber - Council Offices, Trinity Road, Cirencester, GL7 1PX on **Monday, 24 February 2025 at 6.00 pm.**

Rob Weaver
Chief Executive

To: Members of the Council

(Councillors Nikki Ind, Mark Harris, Gina Blomefield, Claire Bloomer, Ray Brassington, Patrick Coleman, Daryl Corps, David Cunningham, Tony Dale, Mike Evemy, David Fowles, Joe Harris, Paul Hodgkinson, Angus Jenkinson, Julia Judd, Juliet Layton, Andrew Maclean, Helene Mansilla, Mike McKeown, Dilys Neill, Andrea Pellegram, Nigel Robbins, Gary Selwyn, Tony Slater, Lisa Spivey, Tom Stowe, Jeremy Theyer, Clare Turner, Chris Twells, Michael Vann, Jon Wareing, Ian Watson, Len Wilkins and Tristan Wilkinson)

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

Cotswold District Council, Trinity Road, Cirencester, Gloucestershire, GL7 1PX
Tel: 01285 623000 www.cotswold.gov.uk

AGENDA

1. **Apologies**
To receive any apologies for absence. The quorum for Council is 9 members.
2. **Declarations of Interest**
To receive any declarations of interest from Members and Officers, relating to items to be considered at the meeting.
3. **Minutes** (Pages 9 - 32)
To confirm the minutes of the meeting of Council held on 22 January 2025.
4. **Announcements from the Chair, Leader or Chief Executive**
To receive any announcements from the Chair of the Council, the Leader of the Council and the Chief Executive.
5. **Public Questions**
To deal with questions from the public within the open forum question and answer session of fifteen minutes in total. Questions from each member of the public should be no longer than one minute each and relate to issues under the Council's remit. At any one meeting no person may submit more than two questions and no more than two such questions may be asked on behalf of one organisation.

The Chair will ask whether any members of the public present at the meeting wish to ask a question and will decide on the order of questioners.

The response may take the form of:

- a) a direct oral answer;
- b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

6. **Member Questions**
A Member of the Council may ask the Chair, the Leader, a Cabinet Member or the Chair of any Committee a question on any matter in relation to which the Council has powers or duties or which affects the Cotswold District. A maximum period of fifteen minutes shall be allowed at any such meeting for Member questions.

A Member may only ask a question if:

- a) the question has been delivered in writing or by electronic mail to the Chief

Executive no later than 5.00 p.m. on the working day before the day of the meeting; or

- b) the question relates to an urgent matter, they have the consent of the Chair to whom the question is to be put and the content of the question is given to the Chief Executive by 9.30 a.m. on the day of the meeting.

An answer may take the form of:

- a) a direct oral answer;
- b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

The following questions were submitted prior to the publication of the agenda:

Question 1 from Councillor Maclean to Councillor Layton, Cabinet Member for Housing and Planning.

During the construction of Victory Fields in Upper Rissington the developer created bunds made from waste material (arising from the demolition of military structures) around the perimeter of the village despite the original planning requirement to remove it from site. The planning permission was subsequently amended to allow this change but made conditions that the material be remediated (there was asbestos and other contaminating materials in the waste) and capped. The case officer's report from 2018 states that the capping should be 1 m but the final capping layer used was 150 mm of topsoil which was then planted with grass and trees and had a network of pathways and play equipment built on them.

Last year, all the public open space was sold to Upper Rissington Parish Council for £1 in accordance with the 106 agreement and this land is now their responsibility. The parish council has some plans for installing equipment that may need foundations but are obviously extremely cautious about digging into possibly contaminated ground. At a recent public meeting there were several questions asked about this which the current Parish Council could not answer as none of them were serving at the time.

The case officer's report also mentions the need for a long term monitoring and maintenance scheme. The parish council is unaware of any ongoing monitoring and has not been given any instructions for maintenance.

Please can CDC therefore help with supplying as much information as possible and in particular:

CDC asked for extra remediation of the waste bunds and the case officer's report shows that this work was carried out by various specialist companies. Do we now hold any documentation or a certificate to show that the material in the bunds is completely safe and that it does not qualify as contaminated ground?

Has the waste material been capped with 1 m of capping as required and if so

what is the nature of the 850 mm capping underneath the 150 mm of topsoil?
Please would CDC supply details of the ongoing monitoring and supply the parish council with instructions in particular about the care and upkeep of the capping layer that has sealed in the contaminated waste material?

Question 2 from Councillor Twells to Councillor Harris, Leader.

Please confirm how many meetings the Leader has had with Roz Savage, the Liberal Democrat MP for the South Cotswolds, since the general election. Does the Leader agree with me that it is extremely regrettable that Ms Savage is campaigning against the Lime Down Solar Park development, which is projected to generate 500MW—enough electricity to power every home in the South Cotswolds and two other parliamentary constituencies? This hypocrisy would appear to make a mockery of the District Council's declaration of a climate emergency in 2019.

Question 3 from Councillor Twells to Councillor Evemy, Deputy Leader and Cabinet Member for Finance and Transformation.

What was the total cost to the Council of sending officers and members to the LGA Conference in Harrogate in October? Please include the cost of registration, travel, meals and accommodation.

Many of my residents tell me they consider this sort of event to be little more than a taxpayer-funded jolly, particularly in an era of virtual meetings. What tangible benefits do you believe sending a delegation to that conference has delivered for Cotswold residents?

7. **Budget Council Protocol**

The Budget Council protocol within the Council's Constitution (Part G Appendix D) sets out the process by which the Council will determine its Budget for the forthcoming financial year within the statutory framework.

[Part G Appendix D Budget Protocol](#)

8. **Budget 2025/26 and Medium Term Financial Strategy** (Pages 33 - 228)

Purpose

To present the Revenue Budget for 2025/26, the Capital Programme and the Medium-Term Financial Strategy for 2025/26 to 2028/29.

Recommendation

Council resolves to approve:

1. the Medium-Term Financial Strategy set out in Annex B
2. the Budget Pressures and Savings for inclusion in the budget, set out in Annex C
3. the Council Tax Requirement of £7,065,418 for this Council

4. the Council Tax level for Cotswold District Council purposes of £158.93 for a Band D property in 2025/26 (an increase of £5)
5. the Capital Programme, set out in Annex D
6. the Annual Capital Strategy 2025/26, as set out in Annex E
7. the Annual Treasury Management Strategy and Non-Treasury Management Investment Strategy 2025/26, as set out in Annex F
8. the Strategy for the Flexible use of Capital Receipts, as set out in Annex H
9. the Balances and Reserves forecast for 2025/26 to 2028/29 as set out in Section 7 of the report
10. formally note the renewal of the CIVICA OpenRevenues 3-year software contract from 01 June 2025 with an annual fee of £0.106m (an increase of £0.031m over the previous annual contract value).

9. **Council Tax 2025-26 (Pages 229 - 248)**

Purpose

To set the Council Tax and Precepts for 2025/26

Recommendation

It is recommended that (subject to confirmation of Gloucestershire County Council's precept):

- 1) for the purposes of the Local Government Finance Act 1992 Section 35(2), there are no special expenses for the District Council in 2025/26;
- 2) it be noted that, using their delegated authority, the Deputy Chief Executive calculated the Council Tax Base for 2025/26:
 - (a) for the whole Council area as 44,456.16 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish Precept relates as in the attached Schedule 1.
- 3) the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish Precepts) is £158.93.
- 4) the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:
 - (a) £50,782,191 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
 - (b) £38,558,091 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

- (c) £12,224,100 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).
 - (d) £274.97 being the amount at 4(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses);
 - (e) £5,158,845 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the Act as per the attached Schedule 2.
 - (f) £158.93 being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by Item T(2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates;
 - (g) the amounts shown in Schedule 2 being the amounts given by adding to the amount at 4(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area shown in Schedule 2 divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;
 - (h) the amounts shown in Schedule 3 being the amounts given by multiplying the amounts at 4(f) and 4(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;
- 5) it be noted that for the year 2025/26 the Gloucestershire County Council and the Police & Crime Commissioner for Gloucestershire have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below:

Valuation Band	Gloucestershire County Council	Police and Crime Commissioner
	£	£
A	1,119.77	214.72
B	1,306.39	250.51
C	1,493.02	286.29
D	1,679.65	322.08
E	2,052.91	393.65
F	2,426.16	465.23
G	2,799.42	536.80
H	3,539.30	644.16

- 6) the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in Schedule 4 as the amounts of Council Tax for the year 2025/26 for each part of its area and for each of the categories of dwellings.
- 7) the Council's basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
- 8) the following Council/Public Officers: Deputy Chief Executive, Interim Director – Resident Services, Director of Governance and Development, Legal Executive, Business Manager – Environmental, Welfare and Revenues, Revenues Manager, Revenues Lead and Senior Recovery Officer be authorised to:
 - (a) collect and recover any National Non-Domestic Rates and Council Tax; and
 - (b) prosecute or defend on the Council's behalf or to appear on its behalf in proceedings before a magistrate's court in respect of unpaid National Non-Domestic Rates and Council Tax.

10. **Notice of Motions**

No motions were received.

11. **Next meeting**

The next meeting of Council will be held on 19 March 2025.



Council
22/January2025

Minutes of a meeting of Council held on Wednesday, 22 January 2025

Members present:

Nikki Ind	Mark Harris	
Gina Blomefield	Julia Judd	Jeremy Theyer
Claire Bloomer	Andrew Maclean	Clare Turner
Patrick Coleman	Helene Mansilla	Michael Vann
Daryl Corps	Mike McKeown	Jon Wareing
Mike Evey	Dilys Neill	Ian Watson
David Fowles	Andrea Pellegram	Tristan Wilkinson
Joe Harris	Nigel Robbins	Len Wilkins
Paul Hodgkinson	Gary Selwyn	
Angus Jenkinson	Tom Stowe	

Officers present:

Matthew Britton, Interim Forward Planning Lead	Nickie Mackenzie-Daste, Senior Democratic Services Officer
Andrew Brown, Head of Democratic and Electoral Services	David Stanley, Deputy Chief Executive and Chief Finance Officer
Angela Claridge, Director of Governance and Development (Monitoring Officer)	Kira Thompson, Election and Democratic Services Support Assistant
Adrian Harding, Interim Head of Planning	Robert Weaver, Chief Executive

61 Apologies

Apologies were received from Councillor Juliet Layton, Councillor Ray Brassington, Councillor David Cunningham, Councillor Tony Slater, Councillor Tony Dale and Councillor Chris Twells. Councillor Spivey apologised in advance for her late arrival.

62 Declarations of Interest

There were no declarations of interest

63 Minutes

The minutes of the previous meeting 27 November 2024 were considered.
There were no amendments.

A proposal to approve the minutes of the previous meeting held 27 November 2025 was proposed by Councillor Fowles and seconded by Councillor Bloomer.

Recommendation APPROVED

RESOLVED: Council approved the minutes of the meeting held on 27 November 2024 (Resolution) (Resolution)		
For	Gina Blomefield, Claire Bloomer, Patrick Coleman, Daryl Corps, Mike Evely, David Fowles, Joe Harris, Mark Harris, Paul Hodgkinson, Nikki Ind, Angus Jenkinson, Julia Judd, Andrew Maclean, Mike McKeown, Dilys Neill, Nigel Robbins, Gary Selwyn, Tom Stowe, Jeremy Theyer, Clare Turner, Michael Vann, Jon Wareing, Ian Watson, Tristan Wilkinson and Len Wilkins	25
Against	None	0
Conflict Of Interests	None	0
Abstain	Helene Mansilla and Andrea Pellegram	2
Carried		

64 Announcements from the Chair, Leader and Chief Executive

The Chair began by extending New Year's greetings to colleagues and residents, emphasizing the importance of working together in 2025.

The new Councillor for Chesterton, Andrea Pellegram was welcomed and the Chair also congratulated those recognised in the New Year's Honours List.

The 80th anniversary of the liberation of Auschwitz was highlighted. The Chair reflected on the immense loss of over 1.1 million lives and stressed the need to preserve survivors' testimonies. They urged continued efforts to combat hatred, antisemitism, and discrimination, emphasizing the importance of inclusivity.

On a lighter note, the Chair shared their pride in representing the District Council at Christmas celebrations in the Forest of Dean and Cirencester. They also expressed enthusiasm for the opening of the Grace Network's Long Table project, recognizing its potential to support the community.

The Chief Executive also welcomed Councillor Pellegram to Cotswold District Council and thanked all election staff for ensuring the smooth running of the Chesterton by-election before handing over to Councillor Harris.

Councillor Harris, the Leader also extended New Year's greetings and welcomed the new Senior Democratic Services Officer. Councillor Andrea Pellegram, was also welcomed and her hard work during a challenging by-election campaign was commended.

Concerns about the government's new housing targets were addressed, with concerns raised about the targets given that 80% of the district is protected land. Councillor Harris argued that the lack of available land and skilled workers made these targets unattainable and stressed the need for a more strategic approach to housing development.

The Leader then spoke about devolution, and reaffirmed a commitment to decentralizing power but warned that current proposals could undermine democracy by consolidating authority under a single mayor. Opposition to the delay of Gloucestershire's local elections was also voiced, being considered as politically motivated. The importance of ensuring that any local government reorganization maintained community links and high-quality services was emphasised.

Councillor Harris stated that any major decisions would be brought back to Full Council for discussion, and emphasised a commitment to a future that would strengthen local democracy and serve the needs of Cotswold residents.

65 **Unsung Heroes Award**

The Chair introduced the Cotswold District Council Unsung Hero Awards, which recognize individuals making extraordinary contributions to their communities. They acknowledged the difficulty in selecting winners and encouraged future nominations.

Phil Miles was announced as the first-place recipient for his dedication as a community first responder with South-Western Ambulance. Despite the voluntary nature of his role, he remained on call almost daily, providing critical emergency care and support. Although unable to attend, Phil was praised for his selflessness, and service to the community. Councillor Andrew McLean was invited to present his award.

The two runners-up were John Lawrence and the Community Speedwatch Blockley team. John was recognised for his tireless promotion of Cirencester as a town crier, his involvement in the Male Voice Choir, and his extensive volunteer work at St John the Baptist Church and Beam Gymnastics. Louise Bowles and her Community Speedwatch

team were honoured for their efforts in tackling speeding issues, despite facing negativity, and for securing funding to enhance road safety.

The Chair expressed gratitude to all recipients for their dedication and contributions to the district.

The Leader added his congratulations and praised the great community spirit which motivated these individuals.

66 Public Questions

Mr David Hindle from Tetbury raised concerns about the restructuring of Cotswold District Council. He questioned the authority behind decisions regarding the grouping of services, management structure, and relative pay, noting that these did not appear to have been formally approved by the Cabinet or Full Council, or considered by the Overview and Scrutiny Committee. He referenced a Council report from 31 July 2024 mentioning a shared director across districts but found no details on CDC's internal structure. He asked Councillor Harris whether such significant reorganisations should have been publicly decided and whether the Council's constitution remained fit for purpose given the shift towards directly employed staff.

Councillor Harris acknowledged David Hindle's engagement with Council matters and assured him that all decisions regarding restructuring had followed due process, including oversight by the Overview and Scrutiny Committee. He offered to provide further details if anything had been missed. Regarding the constitution, he confirmed that updates were being made to reflect structural changes and invited David Hindle to meet for a further discussion.

The Monitoring Officer reminded Mr Hindle of past email exchanges and explained that the Council's constitution had been updated on 1 November 2024 to reflect the first phase of staff being in-sourced, with further changes expected. Mr Hindle was advised to check the website for the latest version and was informed that the upcoming budget focussed Council meeting in February, would include the legally required pay policy report outlining the new senior officer structure. He was also encouraged to follow the February Council agenda for further details.

67 Member Questions

Member questions and the supplementary questions and responses can be found in Annex A.

68 Counter Fraud and Enforcement Unit Collaboration Agreement

The purpose of the report was to seek approval of the Counter Fraud and Enforcement Unit (CFEU) Partnership Collaboration Agreement between Cheltenham and Tewkesbury Borough Councils and Cotswold, Forest of Dean, Stroud and West Oxfordshire District Councils.

The Deputy Leader and Cabinet Member for Finance and Transformation, Councillor Mike Evely, proposed the approval of the collaboration agreement and explained how the partnership, which had been in place for seven years with six councils, had been crucial in preventing fraud and corruption, especially during the distribution of COVID business grants. The service was hosted by Cotswold District Council, and the proposal suggested continuing the partnership for another 10 years, with an option to extend for three more years. The report also highlighted that Cotswold would remain the host authority, with the option to give 18 months' notice if the responsibility was transferred. The Council was asked to approve the agreement.

Council discussed the report and councillors made the following points:

- The CFEU was seen as being a highly accountable and competent unit which reported to the Audit and Governance Committee.
- The service was seen as crucial for upholding trust, tackling fraud, and protecting public resources.
- The operational and economic efficiencies achieved by the partnership would be difficult for the partner councils to achieve individually.
- Cotswold District Council (CDC), as the host council, was commended for leading the way in this area.
- Given the financial challenges faced by the Council, there was also interest in exploring potential revenue generation opportunities through the service. There was a desire to discuss expanding the service to support other local authorities or broaden its scope.
- The two main areas of fraud were identified as being claiming single-person discounts for social housing and illegal subletting. The amounts involved were not seen as significant and it was unclear whether the recovered funds would benefit the Council or go to other bodies like government departments or housing associations. The emphasis was placed on using publicity to deter fraud.
- Officers in the ERS service were commended for working collaboratively with the CFEU to bring successful prosecutions against fly-tippers, which generated revenue and discouraged others from engaging in the same behaviour.

The recommendation in the report was proposed by Councillor Evely, seconded by Councillor Nigel Robbins, put to the vote and agreed by Council.

Councillor Daryl Corps did not vote.

RESOLVED: Council approved the Council entering into the Counter Fraud and Enforcement Unit Partnership Collaboration Agreement. (Resolution)		
For	Gina Blomefield, Claire Bloomer, Patrick Coleman, Mike Evey, David Fowles, Joe Harris, Mark Harris, Paul Hodgkinson, Nikki Ind, Angus Jenkinson, Julia Judd, Andrew Maclean, Helene Mansilla, Mike McKeown, Dilys Neill, Andrea Pellegram, Nigel Robbins, Gary Selwyn, Tom Stowe, Jeremy Theyer, Clare Turner, Michael Vann, Jon Wareing, Ian Watson, Tristan Wilkinson and Len Wilkins	26
Against	None	0
Conflict Of Interests	None	0
Abstain	None	0
Carried		

69 Report of the Constitution Working Group

The report of the Constitution Working Group (CWG) was introduced by the Leader, Councillor Joe Harris, who thanked the CWG for the work they do and continue to do.

Councillors discussed the report and councillors made the following points:

- The end of paragraph 4.5 in the report should read 'of which the member had no previous knowledge'.
- The work of the working group and Mike Evey's chairing were praised.
- The importance of keeping the constitution up to date was highlighted and issues like attendance at virtual meetings were discussed.
- The need for ward members to be aware of significant developments within their areas was stressed to ensure that members were not blindsided and there were no surprises.

The recommendations in the report were proposed by Councillor Mike Evey and seconded by Councillor David Fowles, put to the vote and agreed by Council.

RESOLVED: That Council :		
1. Authorise the Director of Governance & Development (Monitoring Officer) to update Part D8 - Matters of Urgency, in the Constitution and		
2. Approve the addition of a Local Ward Member Protocol into the Constitution (Resolution)		
For	Gina Blomefield, Claire Bloomer, Patrick Coleman, Daryl Corps, Mike Every, David Fowles, Joe Harris, Mark Harris, Paul Hodgkinson, Nikki Ind, Angus Jenkinson, Julia Judd, Andrew Maclean, Helene Mansilla, Mike McKeown, Dilys Neill, Andrea Pellegram, Nigel Robbins, Gary Selwyn, Tom Stowe, Jeremy Theyer, Clare Turner, Michael Vann, Jon Wareing, Ian Watson, Tristan Wilkinson and Len Wilkins	27
Against	None	0
Conflict Of Interests	None	0
Abstain	None	0
Carried		

70 Moreton-in-Marsh Working Group Membership

The purpose of the report was to confirm membership of the Moreton-in-Marsh Working Group and to approve an updated Working Group Terms of Reference.

The Leader of the Council, Councillor Joe Harris, introduced the item and apologised for the delay in forming the working group but emphasised that the group was now ready to proceed. The purpose of the group was to gather feedback from local stakeholders and influence development proposals, while fostering better communication between parties.

The frustration in Moreton regarding the previous consultation was acknowledged and hope was expressed that the new group would help improve relations and dialogue. It was noted that similar groups might be set up for other Cotswold settlements in the future.

Councillors Jenkinson and Corps were thanked for their input on membership and mentioned the upcoming recommendations for including 20 members. The working group would represent a range of views from residents, businesses, community groups, and the town council, and substitutes would be included if needed.

In response to a comment from Councillor Neill, Councillor Harris agreed to look into including residents of Stow in the discussions as onlookers and said that the working group's approach would be further refined. A commitment to biodiversity and nature was also noted, confirming that experts could be brought in as necessary.

Council discussed the report and councillors made the following points:

- The Chair of the Working Group, attendees, and officers were thanked for their efforts in managing a complex and evolving situation.
- The appointment of the Leader as Chair of the Working Group was welcomed as a recognition of the significance of the proposed Moreton development.
- A company which had been included in the Working Group's membership was internationally recognised for its expertise in meadow and grass seeds, as well as its contributions to education.

Councillor Jenkinson proposed modifying the working group's membership by replacing the Morton Agricultural Show with the Morton Business Association, arguing that the latter better represented local businesses. They clarified that the business association, despite past difficulties, was now operational again.

Councillor Corps responded by reiterating appreciation for the officers' work and engagement with Moreton. He questioned the necessity of replacing the long-established charity that organised the agricultural show, emphasising its year-round charitable efforts. Instead, he suggested adding an extra member rather than removing the agricultural show.

Councillor Harris then proposed a five-minute adjournment to allow discussions between key members before proceeding. This proposal was seconded and agreed by Council.

Following a 5 minute adjournment, Councillor Corps proposed adding Morton Business Association to the membership of the working group without removing any other member. This proposal was seconded by Councillor Angus Jenkinson, was put to the vote and agreed by Council.

Council then returned to the substantive recommendations (incorporating the amendment). The recommendations were proposed by Councillor Joe Harris, seconded by Councillor Daryl Corps, put to the vote and approved by Council.

RESOLVED: Council approve the addition of Moreton Business Association to the membership of the Moreton-In-Marsh Working Group (Amendment)		
For	Gina Blomefield, Claire Bloomer, Patrick Coleman, Daryl Corps, Mike Every, David Fowles, Joe Harris, Mark Harris, Paul Hodgkinson, Nikki Ind, Angus Jenkinson, Julia Judd, Andrew Maclean, Helene Mansilla, Mike McKeown, Dilys Neill, Andrea Pellegram, Nigel Robbins, Gary Selwyn, Tom Stowe, Jeremy Theyer, Clare Turner, Michael Vann, Jon Wareing, Ian Watson, Tristan Wilkinson and Len Wilkins	27
Against	None	0
Conflict Of Interests	None	0
Abstain	None	0
Carried		

RESOLVED: Council confirm the membership of the Moreton-in-Marsh Working Group, including the Moreton Business Association and approve the updated Working Group Terms of Reference. (Resolution)		
For	Gina Blomefield, Claire Bloomer, Patrick Coleman, Daryl Corps, Mike Every, David Fowles, Joe Harris, Mark Harris, Paul Hodgkinson, Nikki Ind, Angus Jenkinson, Julia Judd, Andrew Maclean, Helene Mansilla, Mike McKeown, Dilys Neill, Andrea Pellegram, Nigel Robbins, Gary Selwyn, Tom Stowe, Jeremy Theyer, Clare Turner, Michael Vann, Jon Wareing, Ian Watson, Tristan Wilkinson and Len Wilkins	27
Against	None	0
Conflict Of Interests	None	0
Abstain	None	0
Carried		

71 Community Governance Review - Upper Rissington

The purpose of the report was for Council to approve and adopt the Terms of Reference for a Community Governance Review.

The Leader of the Council, Councillor Joe Harris, proposed the recommendations to Council and stated that they had received a request from Upper Rissington Parish Council regarding a skate park located in the neighbouring parish of Great Rissington. They explained that the request was to adjust the boundary so that the skate park would be within the correct parish. The speaker found this to be a reasonable request and noted that they were not aware of any objections from Great Rissington.

Councillor Maclean seconded the proposal and explained that Little Rissington Airfield had been created from three parish councils across two counties, with boundaries cutting across it. They noted that the Ministry of Defence had not considered these divisions when establishing Upper Rissington, which followed the original Air Force fence and extended into Great Rissington. The boundary around Upper Rissington had been drawn tightly to control development due to its exposed location and lack of services. While the area had grown significantly, the specific land in question contained only a skate park, and Councillor Maclean believed the proposed boundary change would have no long-term impact and was a logical adjustment.

Councillor Harris in summing up underlined that this was not a final decision but an agreement to go out and consult according to the Terms of Reference.

The recommendations, having been proposed and seconded, were put to the vote and agreed by Council.

RESOLVED: Council approve and adopt the Terms of Reference for consultation. (Resolution)		
For	Gina Blomefield, Claire Bloomer, Patrick Coleman, Daryl Corps, Mike Evemy, David Fowles, Joe Harris, Mark Harris, Paul Hodgkinson, Nikki Ind, Angus Jenkinson, Andrew Maclean, Helene Mansilla, Mike McKeown, Dilys Neill, Andrea Pellegram, Nigel Robbins, Gary Selwyn, Tom Stowe, Jeremy Theyer, Clare Turner, Michael Vann, Jon Wareing, Ian Watson, Tristan Wilkinson and Len Wilkins	26
Against	None	0
Conflict Of Interests	None	0
Abstain	Julia Judd	1
Carried		

72 Programme of Meetings for 2025/26

The purpose of the report was to invite Council to agree a programme of Council and committee meetings for the 2025/26 civic year.

The Deputy Leader and Cabinet Member for Finance and Transformation, Councillor Mike Evemy, proposed the schedule of meetings for the next municipal year June 2025 to May 2026. A request was also made to change the date of the February 2025 budget meeting, where the Council would set the budget and council tax, from 26 February 2025 to 24 February 2025 at 6.00 p.m. The change was proposed to give officers additional time to complete the council tax billing, as February was a short month.

The programme included a reduction in the number of Cabinet meetings to nine per year. This would allow the Overview and Scrutiny Committee to meet before each Cabinet meeting, and improve the Committee's ability to review Cabinet reports in advance of decisions being taken.

Further recommendations were also discussed, delegating authority to the Director of Governance and Development to make necessary meeting adjustments, as well as to set dates for training and briefing sessions. The Head of Democratic and Electoral Services was also assigned the responsibility of scheduling Performance and Appointments Committee meetings. The maintenance of the current meeting start times, as outlined in paragraph 5.1 of the report was also brought to the Members' attention.

In discussion it was noted that:

- The February 2026 budget Council meeting had also been moved forward from a Wednesday to a Monday to give officers additional time to complete the council tax billing.
- The impact of the revised Cabinet cycle on the work of the Overview and Scrutiny Committee was welcomed.
- It was suggested that parish councils should be notified to town and parish councils to assist them in planning their own meetings.

Councillor Mike Evely summed up and clarified that the meeting times would also be rolled forward as no alternatives had been presented.

The recommendations, having been proposed by Councillor Mike Evely and seconded by Councillor Tom Stowe, were put to the vote and agreed by Council.

Did not vote: Councillor Joe Harris.

RESOLVED: Council agreed to

- 1. Move the date of the next budget meeting from Wednesday 26 February 2025 to Monday 24 February 2025 at 6.00pm,**
- 2. Approve the programme of meetings for 2025/26 as set out in Annexes A and B**
- 3. Delegate authority to the Director of Governance and Development (Monitoring Officer), in consultation with Group Leaders, to make changes to the programme of meetings in the event that there is any future decision of Council to change the committee structure or committee remits that impacts the programme of meetings.**
- 4. Delegate authority to the Democratic Services Business Manager to set the meeting dates for the Performance and Appointments Committee.**
- 5. Delegate Authority to the Director of Governance and Development (Monitoring Officer) to set dates for member training and briefing sessions, any working groups established by the Council and any meetings of the Licensing Sub-Committee (Licensing Act 2003 Matters) and the Standards Hearings Sub-Committee (if required)**
- 6. Agree that in light of no alternative proposals Council agrees that meeting start times will be rolled forwards from 2024/2025 (Resolution)**

For	Gina Blomefield, Claire Bloomer, Patrick Coleman, Daryl Corps, Mike Every, David Fowles, Mark Harris, Paul Hodgkinson, Nikki Ind, Angus Jenkinson, Julia Judd, Andrew Maclean, Helene Mansilla, Mike McKeown, Dilys Neill, Andrea Pellegram, Nigel Robbins, Gary Selwyn, Tom Stowe, Jeremy Theyer, Clare Turner, Michael Vann, Jon Wareing, Ian Watson and Tristan Wilkinson	25
Against	None	0
Conflict Of Interests	None	0
Abstain	Len Wilkins	1
Carried		

73 Notice of Motions

No motions were received for consideration.

74 Next meeting

The Chair highlighted that the next meeting of the Council would be held on Monday 24 February 2025.

Meeting closed 6:00 pm



Member Questions for Council – 22 January 2025

#	Questioner	Question	Response
1	Cllr Julia Judd to Cllr Juliet Layton, Cabinet Member for Housing and Planning	<p>On Friday 20 December, I emailed cil@cotswold.gov.uk asking for support to find out if one of my parishes can use their CIL payments to enhance the school Wi-Fi so that the Parish could use the Wi-Fi for CCTV which they will be installing to disrupt ASB in their village.</p> <p>At the time of writing, neither I, nor the Parish Clerk have received a reply.</p> <p>Please could members be updated on the current CIL process to include what is the procedure to get the ball rolling to help parishes receive CIL money for their projects, what criteria is applied and who makes the decision on whether the needs of the Parish meet the criteria?</p>	<p>I'd like to apologise to Cllr Judd and the Parish Council for the lack of response from officers.</p> <p>Cotswold District Council has published clear guidance on how Town and Parish Councils can use their portion of the Community Infrastructure Levy (CIL). This guidance is available online and outlines how funds can be spent to support the development of the area. Specifically, the guidance states that:</p> <ul style="list-style-type: none">• CIL funds can be used for the provision, improvement, replacement, operation, or maintenance of infrastructure.• Funds can also be used for anything that addresses the demands of development in the area. <p>This provides flexibility for Town and Parish Councils to spend CIL funds on a wide range of projects that benefit the community. Examples include:</p> <ul style="list-style-type: none">• Enhancements to village halls• New or improved play areas• Affordable housing



			<ul style="list-style-type: none">• Preparation of a Neighbourhood Plan (if it addresses development-related needs) <p>Town and Parish Councils receive 15% of CIL funds collected from development in their area, which increases to 25% if a Neighbourhood Plan is in place. CIL can be used for infrastructure improvements, community facilities, and anything that addresses the impact of development.</p> <p>Additionally, Councils can use their CIL funds to support Crowdfund Cotswold campaigns, attracting funding from various sources to help fund projects.</p> <p>However, there are a few key conditions:</p> <ul style="list-style-type: none">• CIL cannot be used to replace regular Town or Parish Council expenditures.• If funds are spent incorrectly, they must be returned to the District Council.• Any unspent funds after five years must also be returned. If a Council is unable to return funds, the District Council will recover them by deducting them from future CIL receipts. <p>Each year, Town and Parish Councils are required to submit an annual report detailing CIL funds received, spent, and any unspent funds. This report must be published by 31st December.</p>
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			We encourage Town and Parish Councils to use their precepting powers to raise funds through council tax for routine expenditure, as they are not subject to the same limits as district and county councils in this regard.
1.5	Cllr Julia Judd to Cllr Joe Harris	Supplementary question 1: Cllr Judd asked for clarification as to the process and regulations around CIL.	Councillor Harris will arrange to set up a meeting for Cllr Judd with the officer responsible for CIL payments Kim Langford Tejrar.
2	Cllr Gina Blomefield to Cllr Juliet Layton, Cabinet Member for Housing and Planning	<p>Many councils including Harlow District Council have introduced civil penalties for rogue landlords who fail to keep their properties to the Decent Home Standard with potential fines of up to £30,000 for non-compliance.</p> <p>Whilst I very much hope that there are very few tenants suffering from sub-standard housing across the Cotswolds, where it does happen it can be a very serious issue for the tenants' health and wellbeing, and access to help to remedy their problems is essential.</p> <p>Does CDC have a process whereby</p>	<p>Cotswold District Council is fully committed to ensuring that housing conditions across the district meet appropriate standards, prioritising the health and well-being of residents. While the council does not directly own any social housing stock, we work closely with registered social housing providers to address any issues raised by tenants in these properties.</p> <p>The Environmental Health Service at Cotswold District Council oversees the Private Sector Housing Regulation Team, which plays a key role in addressing housing issues across both private and social tenancies. This team is responsible for investigating complaints about poor housing conditions, inspecting Houses in Multiple Occupation (HMOs), addressing public health concerns such as pest infestations, handling illegal evictions, and managing the licensing of residential park homes.</p>



		<p>social and private tenants can report poor conditions in their housing, and, if so, what actions are taken to ensure the responsible landlord brings the property up to standard or is otherwise penalized?</p>	<p>The council has a range of statutory powers to address housing violations, such as the Housing Act 2004. In cases of complaints, we generally seek informal resolutions first, unless there is an immediate health or safety risk. If informal measures do not resolve the issue, formal action may be taken, including the issuance of prohibition or improvement notices. In cases of non-compliance, landlords may face prosecution or civil penalties, as outlined in the council's Enforcement and Civil Penalties Policies, which will be reviewed and updated later this year.</p> <p>If tenants encounter substandard living conditions, we advise them to first contact their landlord or housing provider in writing, if they have not already done so, to allow the landlord to resolve the issue. Should the landlord fail to address the problem, the council can initiate an investigation, which typically includes an inspection of the property and a discussion with the landlord.</p> <p>Tenants can raise complaints or report housing issues directly through the council's Customer Services Team or by completing the online form on our website. More information is available at https://cotswold.gov.uk/housing</p> <p>In addition to these efforts, the council has financially supported social housing regeneration projects in various areas, including Moreton-in-Marsh, Kempsford, South Cerney, and Cirencester, which have significantly improved the living conditions for many residents.</p>
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2S.	Cllr Blomefield to Cllr Harris	Supplementary Question 2: Does Cotswold District Council keep a record of bad landlords? And has it brought any prosecutions in the last five years?	<p>All authorities have a power to make an entry to the national Rogue Landlords Database. An entry can be made where a landlord is the subject of a banning order or a banning order offence. Banning orders prohibit a person from managing and letting rental properties. They can be issued following housing conditions and/or licensing offences and can also be issued for eviction and harassment offences. The Council must get permission to make an entry by making an application to the First Tier Property Tribunal. Government guidance applies.</p> <p>At CDC, there have been no prosecutions in the last 5 years and no entries have been made to the Rogue Landlords Database.</p>
3	Cllr David Fowles to Cllr Mike Evemy, Deputy Leader and Cabinet Member for Finance and Transformation	When the decision was taken in March 2022 to refurbish and then let a sizeable part of Trinity Road as serviced offices, the business case presented to Council projected an annual return of 12.3% on the £1,345,000 capital investment. Following the appointment of Watermoor Point a few months ago to both let and manage the site; it appears that the building is still largely unlet.	<p>The total capital cost to reduce the Council's footprint within the building to reduce business rates and utility costs, generate an income and reduce the Council's footprint was £630,000 against an original budget of £673,000.</p> <p>A number of separate building maintenance items such as upgrading lighting, recarpeting, decorating, and refitting WCs was also carried out to areas retained for Council use. This work was separate to the original project and included works which would have needed to be done anyway. However, it was more cost effective to do this work while staff were moved out of the main atrium area and contractors were already onsite, this was budgeted separately and cost £65,000.</p> <p>Council approved the capital investment at their meeting in March 2022.</p>



		<p>This is against the backdrop of the main Watermoor Point being fully occupied</p> <p>Now that the works are completed, please could you confirm the final total costs of this capital investment project, the revised anticipated annual return and provide the Council with an update on how many tenants have signed up to date and what space is still unoccupied?</p>	<p>The business case developed for the decision, which is referenced by Cllr Fowles in his question, included an expected rental return from letting the available space to a single or small number of tenants taking the available space. The report to Council in March 2022 included projected net income of £166,000 per annum and clearly highlighted the financial risks inherent with project.</p> <p>The Property and Estates team engaged with public sector partners, agents and other interested parties when marketing the space.</p> <p>As it became apparent that the Council would be faced with a lengthy void period due a challenging market, a different approach to letting the available space was required to minimise the financial impact on the Council. The MTFS was adjusted to remove rental income expectations included in the business case as these were not likely to materialise. Since 2023/24, the Council has not included any income in the MTFS.</p> <p>Following a procurement exercise with engagement with serviced office providers, Watermoor Point wase selected as the Council's partner with a Management Agreement.</p> <p>Estimates regarding net rental income will be developed and included in the revenue budget and MTFS.</p>
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			<p>Take-up from tenants has initially been slow but Watermoor Point have reported a sharp increase in January. There are now nine tenants in place, there are 8 contracts out for signature, and there are 23 potential tenants for whom Watermoor Point is preparing quotes or providing information. There were 3 viewings last week.</p> <p>The open-plan atrium space is still largely unoccupied, but it is hoped as more tenants sign up and the space becomes busier and has more atmosphere, this will then attract even more tenants.</p>
35	Cllr David Fowles to Cllr Mike Evemy	<p><u>Supplementary Question 3:</u> Cllr Fowles would like to know if there is a Plan B for the open plan area at Trinity Road if the large co-working space being rented out by Watermoor Point is not successfully let.</p>	<p>Councillor Evemy confirmed that there were ongoing meetings with Watermoor Point to market the space, noting increased interest and some tenants already using shared workspaces. It was stated that a Plan B was not yet necessary as efforts continued to generate revenue. Confidence was expressed in officers' work, with a commitment to reassess if needed in the future.</p>
4	Cllr Gina Blomefield to Cllr Juliet Layton, Cabinet Member for Housing and Planning	<p>There are reports from elsewhere in the Country of developers struggling to secure viable bids from housing associations to fulfil the social and affordable housing which developers are obliged to deliver under planning agreements with local authorities.</p> <p>This has the potential to delay</p>	<p>There is a broader issue within the housing market, where developers and Registered Providers (RPs) are facing challenges in agreeing on terms for the transfer of Affordable Housing. Several factors contribute to this, including financial viability concerns, competing demands on RP budgets, and the need for early involvement in projects. However, to date, this has not been a significant problem in the Cotswold District. The council is actively taking steps to manage and mitigate any potential risks.</p>



		<p>developments or alter the balance of planned housing projects, posing a significant barrier to meeting local authority targets.</p> <p>Are you aware of any similar problems in the Cotswolds and how much of a concern could this be given the likely increase in development in the coming years?</p>	<p>To address this, the council's Strategic Housing Manager has introduced a Housing Delivery Phase monitoring process. This allows for close monitoring of developments once they have planning approval and are under construction. The aim is to foster early engagement between developers and RPs, which helps reduce the risk of delays or issues with securing bids for affordable housing.</p> <p>In addition, the Strategic Housing Manager has proactively engaged with RPs operating in the Cotswolds, emphasising the expectation that they will be active in taking on S106 Affordable Housing from developers. This ensures that RPs are prepared to fulfil their obligations as partners in these projects.</p> <p>While this issue remains a concern across the country, the risk in the Cotswolds is being carefully monitored, and the council continues to work closely with all stakeholders to ensure housing targets are met. This issue will be kept under active review by officers as development activity increases in the coming years.</p>
4S	Cllr Blomefield to Cllr Layton responded to by Cllr Harris	<p>Supplementary Question 4: Cllr Blomefield asked if the Council were exploring alternative providers for affordable housing, mentioning the Diocese of Gloucester and Blenheim Estates as examples. The focus being on finding new ways to</p>	<p>Cllr Harris answered that alternative providers were being considered, and confirmed that the strategic housing manager, is actively networking with both registered and smaller providers to find potential partners. He stated that there was also interest in reviving the trend of almshouses and working with smaller local providers.</p>



		increase the supply of suitable housing in the district.	<p>The plan includes providing a full briefing to members to better understand and support the housing officer's efforts in this area.</p> <p>All Members' briefing date is 8 April 2025 12 midday.</p>
5	Cllr Theyer to Cllr Tristan Wilkinson, Cabinet Member for Economy and Environment	5 months after the re-zoning of rounds caused huge disruption to waste collections across the district, there are still an unacceptable number of missed collections in Sandywell Ward and across the district. Why, after such a significant time, is this impact still being felt?	<p>I apologise to residents who continue to experience disruptions to their waste collections due to the re-zoning process.</p> <p>Since the re-zoning, collections in Sandywell Ward and across the district have shown significant improvement. In October, there were 829 missed collections, but this number dropped to 243 in November and 355 in December.</p> <p>Currently, Sandywell Ward has an impressive collection success rate of 99.2%, and the district as a whole is performing even better with a 99.98% success rate.</p> <p>While recent severe weather conditions, including flooding and icy roads, have led to some unavoidable service interruptions, we are committed to resolving missed collections as quickly as possible. In fact, 80% of missed collections are rectified within 48 hours.</p> <p>I understand that this situation remains frustrating for some, and I appreciate their patience. Please be assured that we are continuing to work hard to minimise disruptions, and we are confident that the trend towards fewer missed collections will continue in the coming months.</p>



5S	Cllr Theyer to Cllr Wilkinson	Supplementary Question 5: Cllr Theyer questioned the accuracy of the figures collected, noting that residents may face difficulties when trying to log complaints, potentially skewing the data. The concern was that certain areas might be excluded from the reports, leading to inaccurate or incomplete information. The question also asked if there was a way to make the data collection more precise, focusing on recurring problem zones.	Cllr Wilkinson responded that two sources of data were being used: a sophisticated in-cab system that tracks vehicle routes and complaints from residents. The system allows for tracking and investigation of specific areas where trucks have driven. While the overall service numbers are strong, some areas are experiencing issues. The focus is now on identifying these problem areas, understanding the root causes, and creating a plan to address them.
6	Cllr Corps to Cllr Tristan Wilkinson, Cabinet Member for Economy and Environment	When new housing developments are first built, developers often hand over the maintenance of public areas and assets, such as dog waste bins, to a resident's management company. Over time, as these developments become established, local authorities—such as the County Council for highways and the District Council for public waste management—generally adopt responsibility for these assets.	Under the previous Government, the responsibility for maintaining public spaces in new housing developments was often transferred to residents' management companies rather than local authorities. Dog waste bins, in particular, are not directly regulated through the planning system. From a planning perspective, if the open spaces in a new development are managed by a private management company, it is that company's responsibility to provide, empty, and maintain dog waste bins within the development.



		<p>Given the huge numbers of new housing CDC is planning for the district, and the inevitable rise in demand for dog waste bins on public footways, what steps has Cotswold District Council taken to ensure it has the necessary resources in place to effectively manage both the current and anticipated increase in dog waste bins?</p>	<p>However, if there is an identified shortage of dog waste bins in public areas, funding from the Neighbourhood Community Infrastructure Levy (NCIL) could be used to address this issue.</p> <p>Cotswold District Council's Waste Service is currently conducting a review of its street scene services, which includes assessing the provision of dog waste bins and their emptying frequency. This review will also incorporate the implementation of upgraded IT systems for residents and collection crews, which will enhance efficiency in reporting and routing. Additionally, the review will take future capacity needs into account.</p> <p>While dog waste bins are a relatively small component of the overall waste management service, the anticipated increase in bins is expected to have a minimal impact on resources. Over time, as new developments become fully established, local authorities, such as the County Council (responsible for highways) and the District Council (responsible for waste management), will typically assume responsibility for these assets.</p> <p>This proactive approach ensures that both current and future needs for dog waste management are effectively addressed.</p>
6S	<p>Cllr Corps to Cllr Wilkinson</p>	<p>Supplementary Question 6: Given that local authorities typically assume responsibility for dog waste bins. When do you anticipate taking responsibility for the unadopted dog waste bins in Morton?</p>	<p>Under the Environmental Protection Act 1990, The Council is a "Litter Authority" and therefore responsible for cleansing of the adopted highway within its district boundary. This act includes providing and maintaining any street or public place receptacles for refuse or litter (including dog litter) and referred to as litter bins -</p>



			<p>https://www.gov.uk/guidance/litter-and-refuse-council-responsibilities-to-keep-land-clear It is the duty of a "Litter Authority", to make arrangements for regular emptying and cleansing of any litter bins provided/maintained by them. The regular emptying must be sufficiently frequent to ensure that no such litter bin or its contents shall become a nuisance or give reasonable grounds for complaint. The Council will take responsibility for any dog waste bins in Morton when the location is adopted by Gloucestershire County Council in their capacity as the Highway Authority.</p>
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Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	COUNCIL – 24 FEBRUARY 2025
Subject	2025/26 REVENUE BUDGET, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY
Wards affected	All
Accountable member	Mike Evemy, Deputy Leader and Cabinet Member for Finance and Transformation Email: mike.evemy@cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive and Section 151 Officer Email: david.stanley@cotswold.gov.uk
Report author	David Stanley, Deputy Chief Executive and Section 151 Officer Email: david.stanley@cotswold.gov.uk
Summary/Purpose	To present the Revenue Budget for 2025/26, Capital Programme and Medium-Term Financial Strategy for 2025/26 to 2028/29
Annexes	Annex A – Report from the Chief Finance Officer Annex B – Medium Term Financial Strategy 2025/26 to 2028/29 Annex C – Budget Pressures and Savings Annex D – Capital Programme 2025/26 to 2028/29 Annex E – Annual Capital Strategy 2025/26 and MRP Statement Annex F – Annual Treasury Management Strategy and Non-Treasury Management Investment Strategy 2025/26 Annex G – Detailed Revenue Budgets 2025/26 Annex H – Strategy for the Flexible Use of Capital Receipts Annex I – Budget Consultation Responses
Recommendation(s)	Council resolves to approve: <ul style="list-style-type: none"> 1. the Medium-Term Financial Strategy set out in Annex B 2. the Budget Pressures and Savings for inclusion in the budget, set out in Annex C



	<ol style="list-style-type: none">3. the Council Tax Requirement of £7,065,418 for this Council4. the Council Tax level for Cotswold District Council purposes of £158.93 for a Band D property in 2025/26 (an increase of £5)5. the Capital Programme, set out in Annex D6. the Annual Capital Strategy 2025/26, as set out in Annex E7. the Annual Treasury Management Strategy and Non-Treasury Management Investment Strategy 2025/26, as set out in Annex F8. the Strategy for the Flexible use of Capital Receipts, as set out in Annex H9. the balances and reserves forecast for 2025/26 to 2028/29 as set out in Section 7 of the report.10. formally note the renewal of the CIVICA OpenRevenues 3-year software contract from 01 June 2025 with an annual fee of £0.106m (an increase of £0.031m over the previous annual contract value)
Corporate priorities	<ul style="list-style-type: none">• Delivering Good Services• Responding to the Climate Emergency• Delivering Housing• Supporting Communities• Supporting the Economy
Key Decision	NO
Exempt	NO
Consultees/ Consultation	The 2025/26 Revenue Budget, Capital Programme and Medium-Term Financial Strategy has been developed in consultation with the Council's statutory officers, Publica management, Ubico management, and members of the Cabinet. Consultation has been carried out with members of the Overview and Scrutiny Committee and with the district's residents, businesses, and community organisations.



1. EXECUTIVE SUMMARY

- 1.1** The budget and Medium-Term Financial Strategy (MTFS) have been prepared in the context of ongoing pressures on the Council's finances.
- 1.2 A significant budget gap was identified in the February 2023 and February 2024 MTFS forecasts.** The indicative position outlined for 2025/26 through to 2027/28 was an unfunded budget gap of £4.697m (£10.487, 2025/26 to 2028/29), as reported to Council in February 2024. With the decision to return the majority of services from Publica to the Council (November 2023), without further mitigating action the unfunded budget gap can be expected to have increased over the last 12 months. It was noted at the time that a revised approach to savings and transformation was required given the cumulative budget gap forecast over the MTFS period.
- 1.3** In common with the almost all local authorities, the council faces several external budget pressures that are impacting on its finances over the medium-term. There remains uncertainty around inflation and interest rates in the current financial year which have an influence over the Council's budget for 2025/26 and the MTFS period both directly and indirectly.
- 1.4** The Government published their much-anticipated white paper on Local Government in December 2024 ["English Devolution White Paper – Power and Partnership: Foundations for Growth"](#). Local government reorganisation for two-tier areas (through the creation of Unitary Councils) forms a significant part of the Government's plans.
- 1.5** Several local authorities have issued section 114 notices since 2018 with Birmingham City Council Woking Borough Council, Slough Borough Council, and Thurrock Council. A section 114 notice indicates that the council's forecast income is insufficient to meet its forecast expenditure for the next year.
- 1.6 Whilst there is no immediate risk of Cotswold District Council having to apply for Exceptional Financial Support (EFS) or consider issuing a section 114 notice, members will note the budget gap forecast over the medium-term must be closed to maintain financial sustainability.**



- 1.7 Should the budget gap not be closed sufficiently, EFS cannot be ruled out in future years.**
- 1.8** The level of uncertainty across the sector makes it more difficult to plan for the medium-term. As outlined earlier in the report, the white paper published in December 2024 proposes fundamental changes to the way local government is organised in two-tier areas. At the time of writing this report, the timetable for reorganisation is unclear; changes could take place as early as April 2027 or April 2028 but is dependent on a number of factors.
- 1.9** Local Government Finance reforms, originally due to be implemented from April 2020, are now planned from April 2026. The Government launched a consultation on [“Local authority funding reform: objectives and principles”](#) in December 2024. This sets out the government’s proposed approach and should be viewed in the context of the white paper on devolution. The consultation closed on 12 February 2025.
- 1.10** The reforms will have a significant impact on the level of funding the Council receives from the Government (circa £3m). It is likely that resources (funding) will be directed towards high-need/low taxbase authorities from low-need/high taxbase authorities.
- 1.11** Furthermore, the resetting of the Business Rates Retention System, cessation of New Homes Bonus, and the interaction with the Devolution white paper would suggest that Shire District Councils such as Cotswold are likely to see significant reductions in their funding and has formed the basis of funding assumptions in the MTFs for several years.
- 1.12 It is proposed that the Council increases Council Tax by the maximum permissible level and will increase Cotswold District Council’s Band D rate by £5 (just under 10p per week) from £153.93 to £158.93.**
- 1.13** The provisional settlement for 2025/26 was announced on 18 December 2024 with the Final Settlement published on 03 February 2025. As indicated in the policy statement, the settlement incorporated a number of reforms to local authority funding – largely around how new funding streams were distributed. Whilst previous finance



settlements have been seen as a 'roll-over' from one year to the next, there are significant changes to funding streams for 2025/26. It is worth stressing that the settlement only covers the forthcoming financial year with no indication of future funding levels.

1.14 The final settlement confirmed allocations included in the provisional settlement.

- It is a single year settlement for 2025/26.
- Confirmation of the Council Tax referendum principle of 2.99% or £5 (whichever is higher) for shire districts and boroughs.
- New Homes Bonus scheme continues for a further year.
- **Rural Services Delivery Grant abolished**
- New Grant – Recovery Grant (£600m additional funding)
- New Grant – Children's Services Prevention Grant (£263m)
- Adult Social Care grant will increase by £880m
- Domestic Abuse Safe Accommodation Grant (£160m) now included in Core Spending Power (CSP).
- Protection of Core Spending Power (CSP) through the Minimum Funding Guarantee (MFG) but on a much-reduced basis. The threshold has reduced from 4% to 0% and includes the Government's assumptions of Band D Council Tax increases and taxbase growth. The percentage increase in CSP for Shire Districts was the lowest of all local authority classes at an average of 0.32% (a 4.75% decrease when Council Tax assumptions are removed)
- Continuation of the approach to eliminating negative RSG.
- Services Grant has been abolished.
- **Final Settlement included allocation of Employer National Insurance Grant of £0.133m.**

Publica Review

- 1.15** The February 2024/25 MTFS did not include any budget provision for Phase 1, or any subsequent phase associated with the transfer of services from Publica to the Council. The [2025/26 Budget Strategy and Medium-Term Financial Strategy \(MTFS\) Update](#) report was considered by Cabinet at their meeting in November 2024. This provided members with an update on the financial aspects of transition.



1.16 It is important to note that the gross increase in cost of Phase 1, £0.984m in a full year (up from £0.937m), was net of cost reductions of £0.503m (reduced from (£0.522m) associated with changes made to the Publica management structure (giving the net cost estimate of £0.481m – up from £0.415m). Elements of the new posts could be considered as one-off changes to the Council’s structure and matched by comparable reductions in the Publica contract sum. The associated cost reductions have been front-loaded and it is not anticipated that similar cost reductions would be realised in Phase 2.

1.17 It is essential that the Council takes every opportunity to make services as efficient and cost effective as possible and this will be an important element of the Transition Plan and approach to service design. Cost pressures must be minimised during the transition plan period to ensure service costs are contained within the financial envelope set out in the MTFs.

1.18 The MTFs has been prepared against the emerging position regarding the Phase 2 of Publica Transition. The broad assumptions for the purposes of the 2025/26 budget and over the medium term is that service costs will increase as a result of increased employer pension contributions and a reduced emphasis on sharing of services. The MTFs has made a broad assumption based on a limited number of services that are being considered for Phase 2. There remains uncertainty around future service transition due to Devolution/Local Government Reorganisation. Cabinet and Council will consider the Phase 2 Transition Plan and the financial implications in March 2025.

1.19 At the time of preparing the 2025/26 Budget and MTFs, the nature and structure of service delivery for the Phase 2 services in scope had not been finalised. The latest available information indicated that the following services were forecast to increase in cost by £0.300m in a full year.

- Property and Estates
- Leisure Management
- Waste & Recycling (contract management)
- Project and Programme support



1.20 Alongside the services transferring, a small number of additional roles have been identified to support delivery of the Council's Savings and Transformation Programme, emerging values, and Culture Strategy, and to support the Strategic Housing function.

1.21 In order to minimise the ongoing cost to the Council, reserve and additional funding has been identified. The list below provides details of the additional posts, and the funding stream identified.

- Head of Organisational Development and People (Growth, Revenue Budget)
- Transformation Lead (Reserve funded)
- Transformation Support – Project Management (Reserve funded)
- Strategic Housing Support (Growth, funded from Council Tax Second Homes Premium)

Post	2025/26 Estimate (£'000)	2026/27 Estimate (£'000)	2027/28 Estimate (£'000)	2028/29 Estimate (£'000)
Head of Organisational Development and People	75	100	100	100
Transformation Lead	99	132	33	0
Transformation Support	50	67	17	0
Strategic Housing Support	48	64	64	64
	272	363	214	164
Funded by:				
Council Tax Second Homes Premium	(48)	(64)	(64)	(64)
Earmarked Reserve	(149)	(199)	(50)	0
Revenue Budget	(75)	(100)	(100)	(100)
	(272)	(363)	(214)	(164)

1.22 Cabinet and Council will consider the Phase 2 Transition Plan and the financial implications in March 2025 which will set out in detail timing and service and management structures. As with Phase 1, one-off costs associated with delivering Phase 2 are estimated at £0.300m and would be funded from one-off funding.

1.23 It is important that members are kept apprised on the outcomes from the due diligence and the financial implications as they emerge during the transition period. Although there will be further reports to Cabinet and Council throughout the transition period, it is recommended that the quarterly financial performance reports to Cabinet include timely and relevant financial updates.



Balanced Budget Requirement

1.24 The Council is legally required to set a balanced budget for the following financial year and remains balanced. As can be seen in the MTFS, the Council's core financial position is a balanced budget for 2025/26 with a transfer of the projected surplus to the Financial Resilience reserve. However, there is a significant and increasing projected budget gap of £1.589m in 2026/27 and is forecast to increase to £4.879m in 2027/28 and £6.282m by 2028/29. This is an unmitigated position and assumes that there are no cost reductions or savings measures identified.

Table ES1 – Summary Medium Term Financial Forecast

	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
MTFS Summary				
Net Service Revenue Expenditure	17,241	17,241	17,241	17,241
Corporate Items/Non Service Income & Expenditure	(1,154)	(459)	169	121
Transfers to/(from) earmarked reserves	(620)	(1,259)	(13)	37
Provision for Inflation	0	629	1,268	1,903
Service + Corporate Items	15,467	16,152	18,664	19,302
Budget Pressures	597	763	564	464
Technical Adjustments	0	0	0	0
Risk Items	0	0	0	0
Savings and Transformation Plan items	(359)	(1,340)	(1,551)	(1,766)
Draft Net Revenue Budget	15,704	15,575	17,677	18,000
TOTAL Funding	(16,342)	(13,986)	(12,797)	(11,718)
Budget Gap / (Surplus)	(638)	1,589	4,879	6,282

1.25 An important part of the strategy for financial sustainability will be to continue to deliver efficiencies and savings over the coming years. The Council Business Plan and services must be delivered within the overall resource envelope available to the Council thereby reducing reliance on earmarked reserves to support the budget.

1.26 The level of savings set out in the MTFS does not meet the budget gap identified. The Financial Resilience reserve is being used to balance the budget in the short-term and will be depleted during 2027/28. For clarity, the MTFS assumes that the cost of change associated with the Publica review is contained within the existing financial envelope.



Given the increasing budget gap from 2026/27 it is not unreasonable to expect service reviews to contribute towards a balanced budget position over the MTFS period. At this stage, it is difficult to make a robust judgement as to the level and timing of cost reduction for services that will be transferred from Publica to the Council.

- 1.27** The Council will need to address the scale of the budget gap to ensure a balanced budget can continue to be set over the MTFS period. The position set out in this report is by no means complete and the budget gap may change due to assumptions being updated.
- 1.28** Local Government Reorganisation, as outlined earlier in the report in the English Devolution white paper, and the proposals for Local Government Finance reforms, will exert significant influence over the prospects for the Council's finances over the MTFS-period.
- 1.29** The Cabinet Transform Working Group Council will need to further develop the approach to the Council's Savings Programme to address the budget gap identified over the MTFS period. This will need to include consideration of a service design framework for inclusion in the [Publica] Transition Plan to ensure service costs are contained within the financial envelope set out in the MTFS.

Budget Pressures, Inflation and Risk

- 1.30** The table below sets out the impact on the Council's budget from demand and inflationary pressures, impact on fees and charges income, and the risk allowance included in the revenue budget and MTFS for major contracts. 2025/26 Service Revenue Budgets already include the impact of Budget Pressures and Savings (as detailed in Annex C) unless otherwise stated.



Table ES2 – Pressures and Inflation

Item & Summary	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
Budget Pressures (already included in SRE)				
Expenditure Pressures	316	316	316	316
Income Pressures	134	134	134	134
	450	450	450	450
<u>Provision for Inflation & Contract Growth</u>				
Contract Inflation (Publica, Ubico)	476	485	974	1,482
CDC Service (Pay Inflation)	140	144	293	421
Provision for ongoing costs associated with transferring services - Publica Transition Phase 2	225	300	300	300
Revenue impact of additional posts (excludes reserve funded posts)	75	100	100	100
	916	1,029	1,668	2,303
	1,366	1,479	2,118	2,753
Included in 2025/26 Service Revenue Budgets ==>	1,066			

Savings, Income and Cost reductions

1.31 To ensure the Council is able to set a balanced budget for the forthcoming financial year, savings have been included where proposals are robust and can be delivered. The table below provides a summary of the savings included in the MTFs.

Table ES3 – Savings, Fees and Charges

Savings	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
Corporate Savings and Income	(221)	(746)	(746)	(746)
Expenditure Savings	(327)	(327)	(327)	(327)
Fees and Charges	(281)	(508)	(720)	(934)
Subtotal	(829)	(1,582)	(1,793)	(2,008)



Balances and Reserves

- 1.32** A review of the Reserves and Balances strategy has been undertaken to consider the adequacy of reserves considering the financial risks faced by the Council. The review has considered guidance published under CIPFA Bulletin 13: Local Authority Reserves and Balances (March 2023).
- 1.33** The Council's financial position is supported by its balances and reserves. The requirement for financial reserves is acknowledged in statute. Sections 31A, 32 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 1.34** As set out earlier in the report, there is a much-heightened focus on financial sustainability throughout the sector, largely due to the number of Section 114 notices that have been issued since 2018 and local authorities seeking exceptional financial support.
- 1.35** The review of reserves and balances maintains the distinction between the General Fund Balance and Earmarked Reserves.
- 1.36** The General Fund Balance has been assessed taking account of the strategic, operational, and financial risks facing the authority and the underlying budgetary assumptions. This includes:
- The treatment of inflation and interest rates
 - Level and timing of estimated capital receipts
 - Treatment of demand-led pressures
 - Treatment of planned efficiency savings
 - The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements, or major capital developments
 - The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.
 - The general financial climate to which the authority is subject to



1.37 The General Fund Balance will be maintained at a minimum of £1.760m, with the Financial Resilience Reserve balance held at a level that would allow the Council to mitigate short-term fluctuations in income and expenditure (e.g., Business Rates, Government funding changes). Given the budget gap identified over the MTFS period, the Council must identify and deliver new savings to ensure this reserve is adequate.

1.38 However, these reserves should not be utilised to fund normal, on-going service provision. It is important to review the level of reserves regularly.

1.39 A review of the Council Priorities Fund revenue reserve was undertaken as part of the 2024/25 budget setting process with the recommendation that this is allocated into separate reserves linked to the priorities outlined in the Council's Corporate Plan as indicated below:

- Delivering Good Services
- Responding to the Climate Emergency
- Delivering Housing
- Supporting Communities
- Supporting the Economy

1.40 It is recommended that for 2025/26 the following reserves are maintained to support delivery of the Council Plan, the Publica Review outcomes, and the ongoing preparation of the Council's Local Plan:

- **Council Priority: Publica Review** reserve – the estimated unspent balance (estimated at £0.225m) to provide adequate funding for the Council's share of the costs arising during the Phase 2 of the Publica Transition.
- **Council Priority: Local Plan** reserve – a further £0.250m is allocated to the to ensure the next stages of the Local Plan preparation can be delivered following the update to the National Planning Policy Framework (NPPF) in December 2024. The Council has submitted an expression of interest to MHCLG for Delivery Funding of up to £0.250m. Should the Council be successful and receive an allocation, the level of reserve funding will be reviewed. It is anticipated that local authorities will be notified of outcome in February 2025.
- **Council Priority: Climate Emergency** reserve is maintained up to £0.250m



- **Council Priority: Housing Delivery** reserve is maintained at £0.500m
- **Council Priority: Regeneration/Infrastructure** reserve is maintained at £0.200m with a commitment of up to £0.070m regarding feasibility studies agreed by Cabinet in December 2024. The reserve is held to provide funding for feasibility studies and due diligence around the emerging Cirencester Town Centre Masterplan including support for the Council's Car Park Strategy.
- **Council Priority: Transformation and Change** reserve is increased from £0.200m to £0.318m to provide funding for savings and transformation support, projects and invest to save initiatives.

1.41 New initiatives will require Members to review existing commitments against earmarked reserves and to reallocate funds accordingly.

1.42 Therefore, the following balances and reserves position is proposed over MTFS period:

- General Fund Balance to be maintained at minimum level of £1.760m
- Financial Resilience Reserve held to mitigate the budget gap identified in the MTFS and to facilitate profiling of a Savings and Transformation plan and support the award of the Leisure and Culture contract over MTFS period.
- Council Priorities reserves are maintained for 2025/26 to support the priorities outlined in the Corporate Plan.

1.43 If approved, the impact of these proposed changes outlined in the report to the level of balances and reserves is set out in the table below.



Table ES4 – Reserves and Balances Forecast ('Do nothing' scenario)

	Estimated Balance 31/03/2025 (£'000)	Estimated Balance 31/03/2026 (£'000)	Estimated Balance 31/03/2027 (£'000)	Estimated Balance 31/03/2028 (£'000)	Estimated Balance 31/03/2029 (£'000)
As per MTFS					
General Fund	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)
Council Priorities	(2,649)	(1,613)	(902)	(902)	(902)
Financial Resilience Reserve	(2,884)	(4,164)	(2,647)	2,041	8,017
Financial Resilience Reserve - shortfall (indicative)					
Risk Mitigation	(2,245)	(2,344)	(1,335)	(1,447)	(1,214)
Ringfenced Earmarked Reserves	(19)	(14)	(14)	(14)	(14)
Other Revenue reserves	(1,782)	(877)	(872)	(867)	(862)
Subtotal Earmarked Reserves	(9,578)	(9,012)	(5,770)	(1,189)	5,026
TOTAL GF Balance + Earmarked Reserves	(11,338)	(10,772)	(7,530)	(2,949)	3,266

IFRS9 Statutory Override

1.44 The Government have indicated through the Local Government Finance Settlement consultation that they do not intend to extend the IFRS9 statutory override beyond its current end date of 31 March 2025. This position was confirmed in the Government's response to the consultation, although there does appear to be the prospect of "transitional support for historic investments" although it is unclear what form this would take. Councils would need to comply with the requirements of IFRS9 from financial year 2025/26 and the Council should still consider mitigation options in the absence of a clear position from the Government.

1.45 Since 2018, a statutory accounting override ("the override") has been in place that allows councils to disapply part of International Financial Reporting Standard 9 (IFRS 9), which would otherwise require councils to make provision in their budgets for changes in value (gains or losses) of certain types of financial investments (pooled investment funds). The override was put in place by the previous government in response to councils' concerns that this requirement would adversely affect their financial position and to provide time for councils to prepare for full compliance with IFRS 9. The original override was a temporary measure due to end 31 March 2023, later extended by 2 years following consultation with the sector. The override is currently due to end March 2025.



- 1.46** The implications for the Council could be significant. Should the value of the Council's Pooled Funds be below the original purchase value, any unrealised loss at the end of the 2025/26 financial year would need to be mitigated.
- 1.47** In anticipation of the statutory override period not being extended, the Council has established a Treasury Management Risk reserve to hold funds to manage the cyclical nature of pooled funds. However, there is a risk that the unrealised losses in a given year may exceed the amounts set aside in the earmarked reserve.
- 1.48** The Council will need to consider its risk appetite for potential pooled fund value fluctuations and whether further mitigation measures should be put in place. Such measures may include holding a greater balance in the earmarked reserve, consideration of disposal of some or all of the pooled funds. In reviewing mitigation options, the Council will need to consider the revenue impact as pooled funds provide a longer-term investment return which supports the General Fund budget.

Capital Programme 2025/26 to 2028/29

- 1.49** The Council's Capital Strategy and Capital Programme are considered over a five-year period. The Strategy provides the framework for the Council's capital expenditure and financing plans to ensure they are affordable, prudent, and sustainable over the longer-term.
- 1.50** The Council has set out its Capital Programme for the period 2025/26 to 2028/29 based on the principles of the current Capital Strategy. This is summarised in the table below and in further detail in Annex D of this report. A total capital expenditure budget of £4.0m in 2025/26 is proposed. Total expenditure over the programme period is estimated at £18.1m (£25.4m when including the current financial year). This includes provision for replacement of Waste and Recycling vehicles in line with the replacement programme. However, given the significant capital outlay and the potential impact from Local Government Reorganisation this will be kept under review.



Table ES5a – Summary Capital Programme

Capital Programme	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Leisure & Communities	1,491	0	500	0	0	1,991
Housing/Planning and Strategic Housing	2,405	1,718	1,839	2,230	1,775	9,967
Environment	1,606	1,132	5,255	1,826	205	10,025
ICT, Change and Customer Services	150	350	150	150	150	950
UK Rural Prosperity Fund	752	0	0	0	0	752
UK Shared Prosperity Fund Projects	134	327	0	0	0	461
Land, Legal and Property	517	500	0	0	0	1,017
Transformation and Investment	257	0	0	0	0	257
	7,312	4,027	7,744	4,207	2,130	25,420

1.51 The Council has developed an Asset Management Strategy supported by Carter Jonas during 2024/25. This was presented to Cabinet in May 2024 and is being further developed to include detailed asset management plans and Minimum Efficiency Standards (MES) considerations for the Land and Buildings assets it holds. The emerging strategy provides a longer-term view of the income and expenditure profiles, tenant events, hold and disposal options. The strategy will help ensure that the Council's capital assets are maintained, developed, and continue to contribute effectively to the delivery of the Council services, to support the local economy or provide income in line with expectations. Where there are opportunities to use assets more effectively to deliver Council Priorities, business cases will be presented to the Cabinet or Council for approval.

1.52 The Council's capital expenditure has up until the current financial year been predominantly financed from capital receipts. As these are forecast to deplete over the capital programme period the Council will need to undertake prudential borrowing to support future capital expenditure plans. Other sources of finance support the capital programme, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves, and capital receipts).

1.53 At their meeting on 31 October 2023 Overview and Scrutiny Committee recommended that the Capital Programme should be kept under review to ensure the revenue impact of capital expenditure and financing decisions were fully considered.



1.54 The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at the time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives will be brought forward for approval. However, with the current relative high cost of borrowing, the business cases for new projects will need to be robust, include adequate headroom to cover capital financing costs, and be subject to additional challenge from officers prior to member consideration.

Table ES5b – Summary Capital Financing Statement

	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Capital receipts	3,628	2,052	3,184	2,476	355	11,695
Capital Grants and Contributions	3,269	1,975	1,689	1,731	1,775	10,439
Community Municipal Investment	415	0	0	0	0	415
Prudential Borrowing	0	0	2,871	0	0	2,871
TOTAL	7,312	4,027	7,744	4,207	2,130	25,420

Conclusions

1.55 Despite the uncertainties around Local Government Funding Reforms, the continued pressure on households from the Cost-of-Living crisis, and the general economic position, the Council has been able to prepare a balanced budget whilst maintaining services to residents.

1.56 The budget has been prepared in accordance with the approved budget strategy. This includes the principle of maintaining the Council's general fund revenue risk-based balance at £1.760m and maintaining other usable reserves to mitigate risk and support improvement.

1.57 The Council will need to continue to take steps to manage and address the budget gap identified over the MTFS period.



- 1.58** The Capital Programme includes planned expenditure £7.744m in 2025/26 with the Council needing to consider the outcome of due diligence work on other potential schemes before any further capital expenditure is committed.
- 1.59** The budget includes a recommendation to Council for the current Council Tax level to increase by £5 for a Band D property (from £153.93 per annum to £158.93) – an increase of around 10p per week) in line with government assumptions within its settlement funding formula.
- 1.60** Cabinet, with support from the Cabinet Transform Working Group Council will need to further develop the approach to the Council's Savings Programme to address the budget gap identified over the MTFS period. This will need to include consideration of a service design framework for inclusion in the [Publica] Transition Plan to ensure service costs are contained within the financial envelope set out in the MTFS.
- 1.61** The MTFS does not include any savings targets as an approach to mitigating the budget gap. Including savings targets would not provide a credible MTFS or projection on reserve balances. Targets would not be robust as there would be insufficient details, plans, or business cases to support the inclusion of savings targets.
- 1.62** Instead, the MTFS presents the unmitigated position, with reserve balances utilised to support the MTFS. This is not a strategy in itself and is not a sustainable position. Tables 9b and 9c within the report do illustrate the impact on reserve balances of a different approach – namely the reprioritisation of reserve balances and the effect of £3m of budgets savings across 2026/27 and 2027/28. This is to highlight the scale of the financial challenge and that even with a modest level of savings in 2026/27, this does not in itself fully close the budget gap.
- 1.63** As set out in the report, the Council will need to accelerate the Savings and Transformation programme during 2025/26. With additional resources included in the revenue budget (funded from earmarked reserves), a balanced and proportionate Savings and Transformation Programme must be considered ahead of the 2026/27 budget setting process. The approach must set out the process for identifying, reviewing and agreeing workstreams, clear delivery timescales, and how effective governance will be demonstrated.



- 1.64** The Local Government Association (LGA) has developed a [Transformation Capability Framework](#). This sets out the essentials for successful (service) transformation and the resources the Council will need to deliver such a programme.
- 1.65** With the need to close the budget gap identified in the MTFs, a key aspect of the Savings and Transformation will need to be on robust business cases that outline the financial outcomes and certainty of delivery.
- 1.66** The Council is required to balance the budget one year from the next and must deliver an ongoing savings programme – a robust, balanced, and proportionate plan of cost management and income generation opportunities to ensure the Council is able to achieve financial sustainability.
- 1.67** Reserves continue to be held to support the implementation of key projects and to mitigate against the substantial increased risk the Council is facing. Reserves held to promote financial sustainability are forecast to be depleted during the MTFs period. Consideration should be given as part of the year-end procedures for 2024/25 as to their adequacy for future financial years given the current risks and uncertainties identified in this report. All reserves will be monitored and reported to Cabinet throughout 2025/26.



2. BACKGROUND

- 2.1 A significant budget gap was identified in the February 2023 and February 2024 MTFS forecasts.** The indicative position outlined for 2025/26 through to 2027/28 was an unfunded budget gap of £4.697m (£10.487, 2025/26 to 2028/29), as reported to Council in February 2024. With the decision to return the majority of services from Publica to the Council (November 2023), without further mitigating action the unfunded budget gap can be expected to have increased over the last 12 months. It was noted at the time that a revised approach to savings and transformation was required given the cumulative budget gap forecast over the MTFS period.
- 2.2** Under the Local Government Finance Act 1992 (as amended), the Council is legally required to set a balanced budget for the following financial year and remains in balance. Section 114 of the Local Government Finance Act 1998 requires the Section 151 Officer to report to all Members if there is likely to be unlawful expenditure or an unbalanced budget.
- 2.3** In common with the almost all local authorities, the council faces several external budget pressures that are impacting on its finances over the medium-term. There remains uncertainty around inflation and interest rates in the current financial year which have an influence over the Council's budget for 2025/26 and the MTFS period both directly and indirectly.
- 2.4** The Government published their much-anticipated white paper on Local Government in December 2024 ["English Devolution White Paper – Power and Partnership: Foundations for Growth"](#). Local government reorganisation for two-tier areas (through the creation of Unitary Councils) forms a significant part of the Government's plans.
- 2.5** Members should consider some of the wider issues facing local government that will inform the 2025/26 revenue and capital budgets and the MTFS.
- 2.6** Several local authorities have issued section 114 notices since 2018 with Birmingham City Council Woking Borough Council, Slough Borough Council, and Thurrock Council. A section 114 notice indicates that the council's forecast income is insufficient to meet its forecast expenditure for the next year.



2.7 Whilst the number of authorities issuing section 114 notices is relatively low (9 out of 317 local authorities in England since 2018) it is unprecedented to have had this many issued in a short space of time.

Section 114 Notices issued	Date
Northamptonshire County Council	02-Feb-2018
Northamptonshire County Council	24-Jul-2018
London Borough of Croydon	11-Nov-2020
London Borough of Croydon	02-Dec-2020
Slough Borough Council	02-Jul-2021
Nottingham City Council	15-Dec-2021
Northumberland Council **	23-May-2022
London Borough of Croydon	22-Nov-2022
Thurrock Borough Council	18-Dec-2022
Woking Borough Council	07-Jun-2023
Birmingham City Council	05-Sep-2023
Nottingham City Council	29-Nov-2023
London Borough of Barnet **	23-Jan-2025

** relates to unlawful payment

2.8 A number of other local authorities have indicated they are facing significant financial difficulties and are likely to request support from the Government through the Exceptional Financial Support (EFS) scheme.

2.9 A report by the Local Government Association (LGA) in October 2024 ([link to article](#)) highlighted that "an unprecedented 18 councils were given Exceptional Financial Support (EFS) from the Government in February to help meet their legal duty to balance their books this year (2024/25)" The survey by the LGA indicated:

- one in four councils have warned that they are likely to apply for emergency government bailout arrangements (EFS) to stave off bankruptcy in the next two financial years (2025/26 and 2027/28).
- Responses were received from 195 councils
- Around one in four Councils are likely to apply for EFS in 2025/26 and/or 2026/27 without additional government funding.

2.10 Although the LGA survey and report was published prior to the October 2024 budget and provisional Local Government Finance Settlement, this does provide an indication of the scale of the financial challenge facing local authorities.



2.11 As part of the Final Local Government Finance Settlement, it was announced that six local authorities would be able to increase their Council Tax by more than the usual prescribed limits. This should be considered as Exceptional Financial Support.

- **7.5% maximum:** Birmingham City Council, Somerset Council, Trafford Council
- **9.0% maximum:** London Borough of Newham, City of Bradford Metropolitan District Council, Royal Borough of Windsor and Maidenhead

2.12 Whilst there is no immediate risk of Cotswold District Council having to apply for Exceptional Financial Support (EFS) or consider issuing a section 114 notice, members will note the budget gap forecast over the medium-term must be closed to maintain financial sustainability.

2.13 Should the budget gap not be closed sufficiently, EFS cannot be ruled out in future years.

2.14 Cabinet approved its draft Medium Term Financial Strategy (MTFS) for the period 2025/26 to 2028/29 on 07 November 2024. The Council undertook a budget consultation process during January 2025.

2.15 A focussed budget consultation exercise was undertaken in January 2025 with 46 responses to the consultation. It is worth noting that the number of responses is considerably lower than in previous years. The consultation process was undertaken during the 'pre-election' period in the lead up to the by election for the Chesterton Ward on 16 January 2025. A 'pre-election' period places certain restrictions on the way in which the Council can engage with its residents.

2.16 The consultation asked residents for their views on proposed Council Tax increases and the Council's priorities. Feedback from the consultation has been used to inform this report.

2.17 The budget and MTFS have now been updated to reflect the following:

- The Government's announcement of the Provisional Local Government Settlement 2025/26;
- The estimated Council Taxbase 2025/26 and the forecast balance on the Collection Fund in respect of Council Tax collection in 2024/25; and



- Provision for changes which have arisen since 07 November 2024.

2.18 The level of uncertainty across the sector makes it more difficult to plan for the medium-term. As outlined earlier in the report, the white paper published in December 2024 proposes fundamental changes to the way local government is organised in two-tier areas. At the time of writing this report, the timetable for reorganisation is unclear; changes could take place as early as April 2028 but is dependent on a number of factors.

2.19 Local Government Finance reforms, originally due to be implemented from April 2020, are now planned from April 2026. The Government launched a consultation on "[Local authority funding reform: objectives and principles](#)" in December 2024. This sets out the government's proposed approach and should be viewed in the context of the white paper on devolution. The consultation closed on 12 February 2025 with the Section 151 Officer supporting the consultation response through the Society of District Council Treasurers.

2.20 The reforms will have a significant impact on the level of funding the Council receives from the Government. It is likely that resources (funding) will be directed towards high-need/low taxbase authorities from low-need/high taxbase authorities.

2.21 Furthermore, the resetting of the Business Rates Retention System, cessation of New Homes Bonus, and the interaction with the Devolution white paper would suggest that Shire District Councils such as Cotswold are likely to see significant reductions in their funding and has formed the basis of funding assumptions in the MTFs for several years.

2.22 The key issue for the Government to consider is the pace of reforms and the level and duration of transitional arrangements that are put in place. Without adequate transitional arrangements, there is a greater risk of Shire District Councils in particular failing financially.



Local Government Finance Policy Statement and Settlement 2025/26

- 2.23** The Local Government Finance policy statement was published on 28 November 2024 and outlines the Government's proposals for 2025/26, alongside longer-term plans for reforming local authority funding.
- 2.24** The statement confirmed the Council Tax referendum principles for 2025/26 and a continuation of the existing New Homes Bonus scheme for a further year. The statement included reference to the Extended Producer Responsibility for packaging (EPR) scheme funding for 2025/26.
- 2.25** The provisional settlement for 2025/26 was announced on 18 December 2024 with the Final Settlement published on 03 February 2025. As indicated in the policy statement, the settlement incorporated a number of reforms to local authority funding – largely around how new funding streams were distributed. Whilst previous finance settlements have been seen as a 'roll-over' from one year to the next, there are significant changes to funding streams for 2025/26. It is worth stressing that the settlement only covers the forthcoming financial year with no indication of future funding levels.
- 2.26** As outlined earlier, the government are consulting on local authority funding reforms that would take effect from April 2026.
- 2.27** The Government's 4-week consultation on the settlement closed on 15 January 2025. The final settlement published on 03 February 2025 included details of the allocations for compensating local authorities for the increased Employer National Insurance contributions (ENICs) announced in the October 2024 budget.
- 2.28** The final settlement confirmed allocations included in the provisional settlement.
- It is a single year settlement for 2025/26.
 - Confirmation of the Council Tax referendum principle of 2.99% or £5 (whichever is higher) for shire districts and boroughs.
 - New Homes Bonus scheme continues for a further year.
 - **Rural Services Delivery Grant abolished**
 - New Grant – Recovery Grant (£600m additional funding)
 - New Grant – Children's Services Prevention Grant (£263m)



- Adult Social Care grant will increase by £880m
- Domestic Abuse Safe Accommodation Grant (£160m) now included in Core Spending Power (CSP).
- Protection of Core Spending Power (CSP) through the Minimum Funding Guarantee (MFG) but on a much-reduced basis. The threshold has reduced from 4% to 0% and includes the Government's assumptions of Band D Council Tax increases and taxbase growth. The percentage increase in CSP for Shire Districts was the lowest of all local authority classes at an average of 0.32% (a 4.75% decrease when Council Tax assumptions are removed)
- Continuation of the approach to eliminating negative RSG.
- Services Grant has been abolished.
- **Final Settlement included allocation of Employer National Insurance Grant of £0.133m.**

Table 1 – Core Spending Power

	2024/25 FINAL (£'000)	2025/26 [Feb 2024 MTFS] (£'000)	2025/26 Prov ⁿ (£'000)	2025/26 Final (£'000)	Change from 2024/25 FINAL (£'000)
Core Spending Power (CSP)					
Settlement Funding Assessment	2,156	2,179	2,193	2,193	37
Compensation for under-indexing the business rates multiplier	416	0	440	440	24
Council Tax Requirement excluding parish precepts	6,597	6,893	6,853	6,853	256
Improved Better Care Fund	0	0	0	0	0
New Homes Bonus	287	0	820	820	533
New Homes Bonus returned funding	0	0	0	0	0
Rural Services Delivery Grant	818	818			(818)
Transition Grant					0
Domestic Abuse Safe Accommodation Grant	36	0	37	37	0
Adult Social Care Support Grant	0	0	0	0	0
Winter Pressures Grant	0	0	0	0	0
Social Care Support Grant	0	0	0	0	0
Social Care Grant	0	0	0	0	0
Market Sustainability and Fair Cost of Care Fund	0	0	0	0	0
Lower Tier Services Grant					
Funding Guarantee	2,231	2,298	2,230	2,230	(0)
Grants Rolled-in	18	0	0	0	(18)
Services Grant	13	12			(13)
Core Spending Power	12,573	12,200	12,573	12,573	0
Funding outside of CSP					
Extended Producer Responsibility			1,502	1,502	1,502
Employer National Insurance Contributions Grant			0	133	133
TOTAL Funding as announced	12,573	12,200	14,075	14,208	1,635



- 2.29** The Table above shows a cash-flat Core Spending Power for 2025/26 and includes an increase in the level of Council Tax and in the Taxbase. The settlement represents a £0.373m increase over the level assumed in the Draft MTFS.
- 2.30** The Council will receive £1.502m of funding in respect of Extended Producer Responsibility and £0.133m for Employer National Insurance costs in 2025/26. These are not included in the calculation of CSP but has been taken into account by the government when assessing the overall level of funding for councils.
- 2.31** The policy statement stated that [Local Authorities] "cannot continue to operate in a system that has seen some councils increasing their level of reserves and others struggling to deliver essential services and balance budgets." Whilst this is not as explicit as previous years (where the view was that the level of reserves should be reviewed and where possible released to support local service delivery), it does signal a change to the way funding is allocated.
- 2.32** The Council holds earmarked reserves for specific purposes. Members should consider the wider Reserves and Balances Strategy (as set out in Section 7 of this report) as there may be competing demands:
- maintaining financial sustainability over the MTFS period and balanced budget requirement
 - mitigating financial and demand-led risks
 - providing funding for council priorities and planned future expenditure.
 - one-off funding to help maintain or enhance service provision.
- 2.33** The updated MTFS includes provision of a risk-based General Fund balance of £1.760m being the minimum expected level for total working balances.

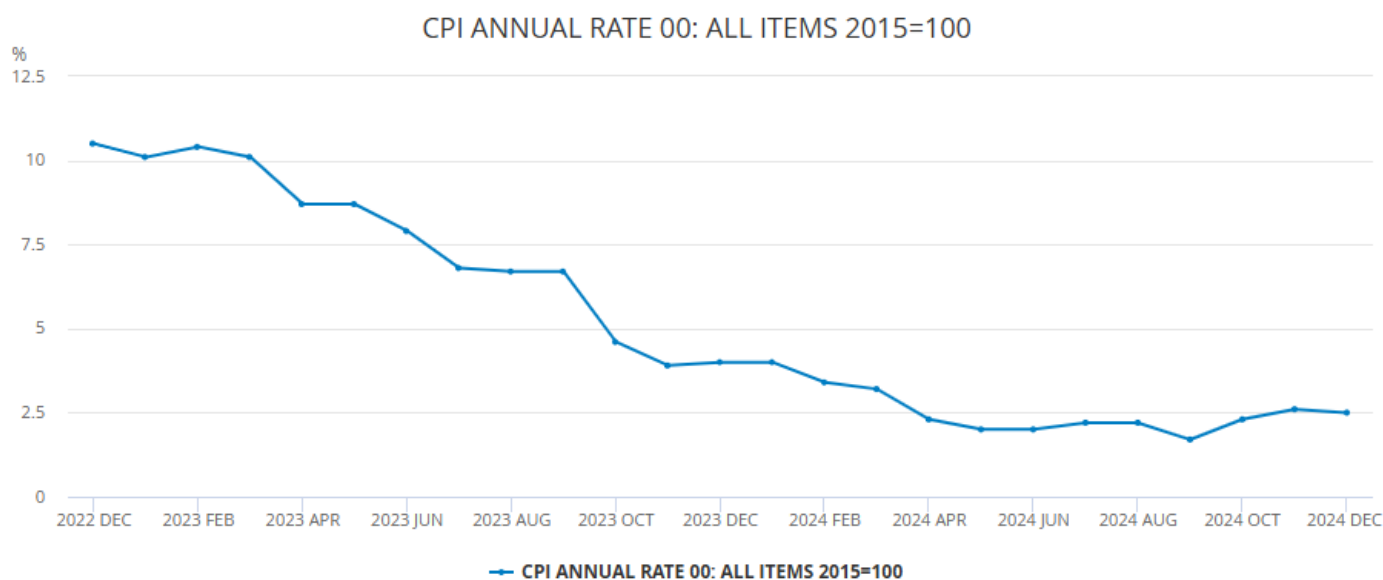


3. EXTERNAL ECONOMIC ENVIRONMENT

3.1 As reported to Cabinet during the year, there are a number of external economic pressures on the Council that will have a material impact on the 2025/26 budget and MTFS.

Inflationary Pressures

3.2 The level of inflation, as measured by the Consumer Prices Index, for December 2024 is 2.5% (down from 2.6% in November 2024). Although it is not the Government's preferred measure of inflation, the Retail Prices Index is 3.5% (3.6% in November 2024). Core inflation (as defined by the Office for National Statistics as the CPI Rate excluding energy, food, alcohol, and tobacco) was 3.2% (3.5% in November 2024). The CPI goods annual rate increased from 0.4% to 0.7%, while the services rate reduced from 5.0% to 4.4%.



3.3 Although general inflation has reduced since the start of the calendar year, the Council is subject to specific inflationary pressures on its services (e.g., fuel costs on waste and recycling service) which have tended to track higher than CPI and RPI.

3.4 The forecast for inflation (CPI) is that it will remain above the Bank of England's target of 2.0% during 2025. The graph below shows the different CPI forecasts that are



published in the quarterly Bank of England Monetary Policy Committee report (February 2025).



3.5 The continuation of elevated levels of inflation throughout the year and the Bank of England’s forecast over the medium-term will need to be taken into account when assessing the impact on 2025/26 revenue and capital budgets.

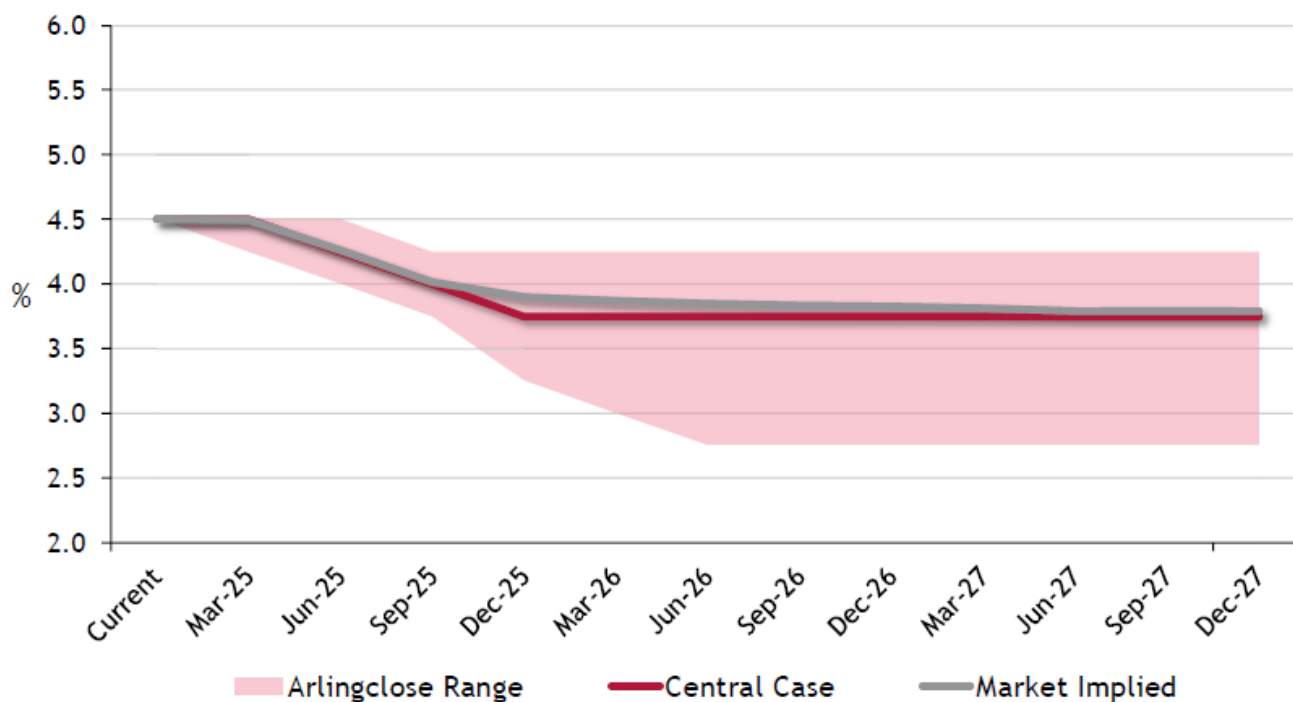
Interest Rates

3.6 The Bank of England has slowly reduced interest rates from their peak of 5.25% (August 2023) as inflationary pressures have eased. The current Bank of England base rate is 4.50% and was reduced from 4.75% at the MPC meeting on 05 February 2025. The council’s treasury management advisors believe further reductions in the bank base rate will come through during 2025 tied to the quarterly report cycle to 3.75% by the end of the calendar year. The next MPC meeting is scheduled for 20 March 2025 with dates now agreed for 2025.



Confirmed Dates	
Thursday 06 February 2025	February Monetary Policy Report
Thursday 20 March 2025	
Thursday 08 May 2025	May Monetary Policy Report
Thursday 19 June 2025	
Thursday 07 August 2025	August Monetary Policy Report
Thursday 18 September 2025	
Thursday 06 November 2025	November Monetary Policy Report
Thursday 18 December 2025	
Provisional Dates 2026	
Thursday 05 February 2026	February Monetary Policy Report
Thursday 19 March 2026	
Thursday 30 April 2026	May Monetary Policy Report
Thursday 18 June 2026	
Thursday 30 July 2026	August Monetary Policy Report
Thursday 17 September 2026	
Thursday 05 November 2026	November Monetary Policy Report
Thursday 17 December 2026	

Official Bank Rate



3.7 To support the Capital Programme, the Council may need to undertake borrowing during 2026/27 although this is dependent on several factors. With PWLB interest rates



remaining relatively high despite reduction in the base rate (and compared to the previous decade), this will impact the expenditure required to service any borrowing the Council undertakes.

3.8 The Council has limited and reducing internal resources to support the capital programme (capital receipts, earmarked reserves). This is not unique to Cotswold District Council with reports in specialist press (e.g., Public Finance) of Councils shelving or scrapping planned capital projects as other costs continue to rise and/or the need to find savings to slowly balance the budget.

3.9 With interest rates expected to reduce the forthcoming financial year, the Council will need to ensure capital expenditure and capital financing decisions are made 'in the round.' This will ensure that existing and new capital schemes are not considered in isolation and are prioritised against the Council's Corporate Plan and reference to affordability and deliverability.

Economic Outlook

3.10 The Office for Budget Responsibility published their economic and fiscal outlook in October 2024. The key observations and forecasts outlined in the report were:

- Having stagnated last year, the economy is expected to grow by just over 1 per cent this year, rising to 2 per cent in 2025, before falling to around 1½ per cent, slightly below its estimated potential growth rate of 1⅓ per cent, over the remainder of the forecast.
- Having fallen back to around the 2 per cent target in mid-2024, the OBR expect CPI inflation to pick up to 2.6 per cent in 2025 partly due to the direct and indirect impact of Budget measures
- From its current level of 5.00% (now 4.75%), Bank Rate is expected to fall to 3.50% in the final year of the forecast
- Supported by the temporary boost to demand from the October 2024 Budget, the unemployment rate falls from 4.30% this year to 4.00% in 2026 before returning to its estimated structural rate of 4.10% in 2028.
- Expect nominal earnings growth to fall from 4.70% this year to around 3.50%



- in 2025 and then average 2.25% over the remainder of the forecast
- Living Standards, as measured by Real household disposable income (RHDI) per person, grows by an average of just over 0.50% a year over the forecast.

4. 2024/25 REVENUE BUDGET

- 4.1** The original net revenue budget for 2024/25 was £15.061m giving rise to a budgeted surplus of £0.516m. Cabinet has considered the forecast outturn position during the year with the last forecast outturn position of £15.358m reported in the Financial Performance Report – Q2 2024/25 (Update). This highlighted a forecast adverse variation of £0.297m against the budget, with the budgeted surplus reduced to £0.219m.
- 4.2** The MTFs has assumed that the budgeted surplus of £0.516m would be transferred to the Financial Resilience reserve. Although the adverse variation reported in Q2 reduces the revenue budget surplus, when taken with the reduced impact of the 2024/25 Pay Award (£0.400m reduction), the proposed transfer to the Financial Resilience Reserve (£0.619m) would be in line with the budgeted position.
- 4.3** Given the complexity of budget transfers associated with Phase 1 of the Publica Review, service budgets have not been revised for the current financial year.
- 4.4** The Q3 forecast will be considered by Cabinet at their meeting in April 2025 and should be viewed as a draft outturn position. Should there remain and adverse outturn forecast, in the absence of mitigating cost reductions or savings the remaining overspend will need to be funded from the Financial Resilience reserve to achieve a balanced position.



5. PUBLICA REVIEW

- 5.1** The February 2024/25 MTFS did not include any budget provision for Phase 1, or any subsequent phase associated with the transfer of services from Publica to the Council. The [2025/26 Budget Strategy and Medium-Term Financial Strategy \(MTFS\) Update](#) report was considered by Cabinet at their meeting in November 2024. This provided members with an update on the financial aspects of transition.
- 5.2** Following reports from Human Engine (November 2023) and Local Partnerships (March 2024), Council approved the Detailed Transition Plan (“DTP”) report at its meeting on 31 July 2024. This set out the process that would be followed to return the majority of services to the Council with an initial transfer of services taking place on 01 November 2024.
- 5.3** The DTP and covering report provided members with an initial estimate of additional cost of Phase 1 (enduring impact) and the one-off costs (provision for redundancy).
- 5.4** These cost estimates have been updated but members should be aware that they are updated estimates and may vary as recruitment and appointments continue made to roles within the council.
- 5.5** The table below provides members with a reconciliation between the financial implications set out in the July 2024 DTP, those included in the MTFS update, and the estimates included within this MTFS.
- 5.6** The main changes between the July 2024 estimate and the February 2025 MTFS are:
- Additional Communications Team post, salary assumptions [+£84k].
 - Increase in salary assumptions for Director of Communities and Place [+£11k]
 - Increase in salary assumptions for senior planning roles [+£47k]
 - Reduction in Development Management and Forward Planning estimate [-£7k]
 - Reduction in estimate of Director and Executive Assistant roles [-£3k]
 - Other minor changes in cost estimate [+£4k]



Table 2 – Publica Transition – Phase 1 cost movement

	July 2024 DTP (£'000)	November 2024 update (£'000)	December 2024 update (£'000)	Change (£'000)
Reconciliation of movement in additional cost				
Phase 1 Baseline Cost	3,674	3,616	3,701	27
Sharing + Pension Impact	326	318	321	(5)
New Roles	553	619	663	110
New Model Total	4,553	4,553	4,686	132
Publica Savings (Direct)	(240)	(240)	(221)	19
Indirect Savings	(283)	(282)	(282)	1
Enduring Impact	4,030	4,031	4,182	152
Indicative Annual Increase / (Decrease)	356	415	481	125

5.7 It should be noted that the table above only covers Phase 1. The financial implications of Phase 2 will be considered alongside the DTP in March 2025. However, for the purposes of the MTFs, a high-level estimate has been included in the MTFs for Phase 2. Proposals for the next phase are being reviewed with extensive due diligence before any decision is taken as part of the DTP in March 2025. This is in-line with the approach taken with Phase 1 and is vital to ensure the Council is able to remain financially sustainable given the likely cost increase that will result from Phase 2.

5.8 The budgetary impact for Phase 2 is outlined in more detail in Section 6 of this report.

5.9 It is important to note that the gross increase in cost of Phase 1, £0.984m in a full year (up from £0.937m), was net of cost reductions of £0.503m (reduced from (£0.522m) associated with changes made to the Publica management structure (giving the net cost estimate of £0.481m – up from £0.415m). Elements of the new posts could be considered as one-off changes to the Council's structure and matched by comparable reductions in the Publica contract sum. The associated cost reductions have been front-loaded and it is not anticipated that similar cost reductions would be realised in Phase 2.

5.10 In terms of one-off costs, paragraph 5.10 of the DTP covering report included the following: "A prudent estimate would be for the Council to anticipate around £0.300m



of redundancy and associated costs which allows for a level of mitigation. This represents an equal one-third share of the costs with future salary savings allocated on the same basis.”

5.11 The current estimate for the Council’s share of redundancy and pension strain costs is £0.188m (previously reported at £0.274m) and within the amount set aside within the Financial Resilience reserve.

5.12 Members have received updates in the quarterly financial performance reports on the costs associated with the Transition Programme. The table in the Q2 Financial Performance report provided an update on costs incurred up to Q3 2024/25 (i.e. 31 December 2024) and a forecast for the remainder of the Phase 1 period (i.e. to 31 March 2025). The latest forecast to the end of the year indicates that £0.225m of the £0.500m set aside to support the transition programme will have been utilised on Phase 1 preparation and delivery.

5.13 The forecast for the Transition Programme includes ‘soft’ commitments (i.e. principal of expenditure has been agreed but timing and duration of spend not yet confirmed) for additional support for the areas below. The forecast includes estimates for 2025/26 expenditure:

- Finance Business Partnering
- Project Management Support (Programme Manager)
- HR Payroll Support
- Strategic HR support (External oversight and critical friend review of TUPE)

6. MEDIUM TERM FINANCIAL STRATEGY 2025/26 TO 2028/29

6.1 (As stated earlier in the report, budget and MTFs have been prepared in the context of ongoing pressure on the Council’s finances. The impact from the external economic environment on service expenditure and income, and the continuation of constraints of government policy (funding and devolution) means the budget and medium-term are subject to considerable uncertainty.



- 6.2** Cabinet considered the *2025/26 Budget Strategy and Medium-Term Financial Strategy (MTFS) Update* report [\[link\]](#) at their meeting in November 2024. The report set out the broad approach for the 2025/26 budget with indicative estimates of funding.
- 6.3** This report updates the estimates and budget proposals following the Provisional Local Government Finance Settlement published on 18 December 2024 (as set out in Section 2 of the report).
- 6.4** Service budgets have been updated for 2025/26, along with forecasts of Corporate Income and Expenditure budgets. Given the volatility in the economy and uncertainty around future prices, inflationary provision has been included as a separate item and assumes:
- Pay inflation of 3% (Publica) and 3% (Ubico plus a further 1% held by CDC as a contingency).
 - Price inflation on major contracts (Publica and Ubico), utilities, and IT costs (in-line with the approach set out in the Budget Strategy). Additional inflationary provision has been made in the budget and across the MTFS period recognising energy price rises.
- 6.5** Fees and Charges have been reviewed in accordance with the agreed approach of cost recovery with the 2025/26 Fees and Charges report at this meeting of Cabinet setting out in detail the fees and charges proposed for 2025/26. This report has been prepared on the basis of the proposed fees being approved by Cabinet.
- 6.6** An increase of £0.266m has been reflected in fees and charges that have been subject to review or increased in-line with the September 2024 CPI inflation rate of 1.7%. Budget holders are required to review the fees and charges as part of the budget setting process to ensure they are set at an appropriate level and that charges are transparent and show a clear methodology for their increase.



Budget Pressures

- 6.7** The table below provides an overview of the material service budget changes by service area and a brief outline of the reason for the budget change. For the purposes of this report, a material change is considered to be +/- £20k. There are likely to be several factors behind a net change in service budgets – impact of inflation, changes in income projections, impact of Phase 1 of the Publica transition, virements between different cost centres within a service area.
- 6.8** Income pressures have been grouped in the table and have been included as a budget pressure due to the shortfall in income or where there is a technical change to funding.

Table 3 – Budget Pressures (included in Service Revenue Budgets)

Budget Pressures	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
External Audit Fees - 10% increase in scale fee and Housing Benefit audit costs	52	52	52	52
Cotswold National Landscape Contribution increase	13	13	13	13
Elections - review of budget provision in context of overspends in 2023/24 and 2024/25	54	54	54	54
Planning & Strategic Housing - Licences and Subscriptions	36	36	36	36
Business Rates on Council-owned properties - increase in liability	20	20	20	20
CIVICA Software Licence Renewal	31	31	31	31
Environmental & Regulatory Services - Building Control service improvements, Emergency Planning (LRF)	14	14	14	14
Democratic Services - Licences for Modern.gov and Public i	13	13	13	13
Communications - Licences for Social Media and email client software	10	10	10	10
Waste & Recycling - Clinical Sharps budget adjustment	(15)	(15)	(15)	(15)
Public Conveniences - contract and utility costs	14	14	14	14
Corporate Costs - Insurance, Subscriptions	21	21	21	21
Bank Charges - volume increase	34	34	34	34
Other Budget Pressures <£10k	21	21	21	21
TOTAL	316	316	316	316



6.9 Budget Pressures have been reviewed, challenged, and validated and only included in the MTFS where there is a clear business need or a wider strategic requirement to invest in service delivery. Budget Pressures can broadly be categorised as summarised below. Where income pressures have been identified this is largely where the current income budget is forecast to be unachievable due to changes in behaviour or demand.

- Unavoidable cost pressures: External Audit scale fee increase and increase in Housing Benefit audit costs
- Inflation-led or contract-related cost pressures: CIVICA Revenues and Benefits System
- Income pressures: Waste & Recycling material sales, Car Park fees – penalty charges.

6.10 Members will note from the table above an increase in the cost of the CIVICA Revenues and Benefits system. The contract with CIVICA for the shared system commenced on 01 June 2020 and is due to end on 31 May 2025. Following an options appraisal and review of procurement options in early 2024, the recommendation was to procure a new contract with through a suitable framework. The cost of system change was a significant factor in the review of options.

6.11 A shorter contract length has been negotiated in light of the timescales around Devolution/Local Government Reorganisation. The total cost for the shared contract of this period is £0.951m with £0.031m per annum as the impact on Cotswold District Council.

6.12 As the contract value is around £0.106m per annum for the Council (£0.317m over the contract term) and given the need to ensure uninterrupted software provision and support, it is recommended that members formally note the outcome and contract values.

Inflation

6.13 The main budget pressure facing the Council over the MTFS period is inflation. The MTFS includes provision for inflation major contracts (Publica and Ubico). Provision has also been made for the annual pay award either directly (for Council officers and



Members) or indirectly through the Publica and Ubico contracts. Energy prices reduced from their peak in 2022 but with global volatility are likely to be under pressure in 2025/26

6.14 The inflation rate has continued to fall and reached 1.7% in September 2024 although has risen to 2.5% in December 2024. The Office for Budget Responsibility outlined their expectations for inflation in their November 2024 report:

- Having fallen from a 41-year high of 11.1 per cent in October 2022, annual CPI inflation is expected to remain close to the 2 per cent target throughout the forecast period. We expect a temporary rise, from around 2 per cent in the third quarter of this year, to an average of 2.6 per cent in 2025. This is driven by higher gas and electricity prices, the direct effect of policies announced in this Budget, and the effect of a small positive output gap on domestically generated inflation. CPI inflation then gradually falls back to the 2 per cent target in 2029 as the positive output gap closes and energy price growth normalises. Compared to the March forecast, CPI inflation is higher in 2025 and 2026 by 1.1 and 0.6 percentage points respectively, and slightly higher until the end of the forecast. On average just over half of the higher inflation in 2025 and 2026 is driven by our pre-measures judgements, with the rest due to the impact of policies in this Budget.
- There is significant uncertainty around the forecast for CPI inflation. Domestically, if wage growth is less persistent than we assume this could drive lower inflation. There are also risks to the forecast from the external environment given the continuing war in Ukraine and the widening conflicts in the Middle East. Based on historical forecast errors, there is roughly a one-in-five chance of CPI inflation being above 4.5 per cent or below 1.1 per cent in 2025.

6.15 The main cost pressure facing the Council is the Pay Award which has been forecast at 3% over the MTFS period – slightly above pre-Covid levels (2% to 2.5%) recognising the inflation prospects outlined above. The table below sets out the forecast for inflation over the MTFS period. There remains significant uncertainty with risk around the level and extent of inflation provision made.



Table 4 – Inflation Forecast (Office for Budget Responsibility, October 2024)

	OBR Forecasts, October 2024			
	2025	2026	2027	2028
OBR Forecast	2.6%	2.3%	2.1%	2.1%
External forecast (average)	2.2%	2.2%	2.4%	2.3%

6.16 The table below sets out the cash and percentage provision made within the MTFS for major contracts, energy costs and the Pay Award.

Table 5 – Inflation Provision included in the MTFS

Contract/Provision	2025/26 provision	2026/27 assumption (£'000)	2027/28 assumption (£'000)	2028/29 assumption (£'000)
Ubico	3.00%	250	498	756
Publica	3.00%	235	476	725
CDC Services	3.00%	144	293	421
		629	1,268	1,903

6.17 For the purposes of the calculating the inflationary impact on contract for MTFS, the base budget used to calculate the Publica contract sum inflation provision is £7.547m (i.e. 2024/25 Contract Sum of £10.823m less the value of budget transferred for Phase 1 of £3.674m). With the transfer of further services and budget under Phase 2 the inflationary provision and split will need to be reviewed.



Table 6a – Ubico Contract Costs (Review in conjunction with Table 8b)

	2024/25 Ubico Contract (£'000)	2025/26 Ubico Contract (£'000)	Change (£'000)	Change (%)
Ubico Services				
GM - Car Parks	71	62	(8)	(11.84%)
GM - Cemetery, Crematorium and Churchyards	196	173	(23)	(11.84%)
Garden Waste Collection	1,420	1,310	(111)	(7.81%)
Household Waste	1,720	1,844	125	7.24%
Recycling	3,087	3,340	253	8.20%
Refuse / Recycling Organic & Food Waste	661	732	71	10.73%
Street Cleaning	1,566	1,387	(179)	(11.45%)
GM - Trinity Road, Offices	18	16	(2)	(11.84%)
Grand Total	8,738	8,863	125	1.43%

Table 6b – Multi-Service Gross/Net Cost (Review in conjunction with Table 8b)

	2025/26 Budget				
Waste, Recycling, Street Cleaning and Grounds Maintenance Services	Ubico Contract (£'000)	Other Service Costs (£'000)	Gross Service Cost (£'000)	Service Income (£'000)	Net Service Cost (£'000)
Bulky Household Waste	0	73	73	(79)	(6)
GM - Car Parks	62	0	62	0	62
GM - Cemetery, Crematorium and Churchyards	173	0	173	0	173
Garden Waste Collection	1,310	145	1,454	(1,593)	(139)
Household Waste	1,844	149	1,993	(3)	1,990
Recycling	3,340	238	3,578	(932)	2,646
Refuse / Recycling Organic & Food Waste	732	0	732	0	732
Street Cleaning	1,387	45	1,432	0	1,432
GM - Trinity Road, Offices	16	0	16	0	16
Grand Total	8,863	648	9,512	(2,606)	6,905

6.18 The gross and net budget for services in the table above includes the reduced cost associated with the rezoning exercise, inflationary provisions and other changes to the contract including Employer's National Insurance Contributions.



Publica Phase 2

- 6.19** The transition of services from Publica to Council will clearly have a material impact on the Council's resources and budget over the MTFs-period. For the purposes of the 2025/26 revenue budget and the MTFs, it is assumed the cost of services will remain within the cost envelope set out over the medium-term.
- 6.20** **It is essential that the Council takes every opportunity to make services as efficient and cost effective as possible and this will be an important element of the Transition Plan and approach to service design. Cost pressures must be minimised during the transition plan period to ensure service costs are contained within the financial envelope set out in the MTFs.**
- 6.21** To fund the one-off costs of transition, £0.500m has been set aside in the Corporate Priority: Publica Review reserve. It is anticipated that a balance of £0.225m will be available to support Phase 2.
- 6.22** Inevitably, there are likely to be workforce planning costs arising from the transfer of services. As the indicative timetable for services to transfer is not yet known, the scale and the timing of workforce planning costs and mitigation measures is difficult to estimate with any certainty. Therefore, it is appropriate to set out the approach the Council will take to financing these costs over the transition period.
- 6.23** To ensure adequate provision is made for the costs and mitigation options over the transition period, the Council must have adequate financial headroom in order to make key decisions on service design. Therefore, the recommended approach is to increase the availability of one-off revenue and capital resources through:
- Effective resource management – ongoing vacancy management with confirmed underspends allocated to the Workforce Planning reserve.
 - Application of capital receipts to qualifying expenditure (e.g., cost of service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation) in accordance with the Council's policy on the Flexible use of capital receipts.



6.24 The MTFS has been prepared against the emerging position regarding the Phase 2 of Publica Transition. The broad assumptions for the purposes of the 2025/26 budget and over the medium term is that service costs will increase as a result of increased employer pension contributions and a reduced emphasis on sharing of services. The MTFS has made a broad assumption based on a limited number of services that are being considered for Phase 2. There remains uncertainty around future service transition due to Devolution/Local Government Reorganisation. Cabinet and Council will consider the Phase 2 Transition Plan and the financial implications in March 2025.

6.25 At the time of preparing the 2025/26 Budget and MTFS, the nature and structure of service delivery for the Phase 2 services in scope had not been finalised. The latest available information indicated that the following services were forecast to increase in cost by £0.300m in a full year.

- Property and Estates
- Leisure Management
- Waste & Recycling (contract management)
- Project and Programme support

6.26 Alongside the services transferring, a small number of additional roles have been identified to support delivery of the Council's Savings and Transformation Programme, emerging values and Culture Strategy, and to support the Strategic Housing function.

6.27 In order to minimise the ongoing cost to the Council, reserve and additional funding has been identified. The list below provides details of the additional posts, and the funding stream identified.

- Head of Organisational Development and People (Growth, Revenue Budget)
- Transformation Lead (Reserve funded)
- Transformation Support – Project Management (Reserve funded)
- Strategic Housing Support (Growth, funded from Council Tax Second Homes Premium)



Table 7– Additional Posts

Post	2025/26 Estimate (£'000)	2026/27 Estimate (£'000)	2027/28 Estimate (£'000)	2028/29 Estimate (£'000)
Head of Organisational Development and People	75	100	100	100
Transformation Lead	99	132	33	0
Transformation Support	50	67	17	0
Strategic Housing Support	48	64	64	64
	272	363	214	164
Funded by:				
Council Tax Second Homes Premium	(48)	(64)	(64)	(64)
Earmarked Reserve	(149)	(199)	(50)	0
Revenue Budget	(75)	(100)	(100)	(100)
	(272)	(363)	(214)	(164)

6.28 Cabinet and Council will consider the Phase 2 Transition Plan and the financial implications in March 2025 which will set out in detail timing and service and management structures. As with Phase 1, one-off costs associated with delivering Phase 2 are estimated at £0.300m and would be funded from one-off funding.

6.29 The plan must be cognisant of financial cost associated with service transformation. The MTFS outlines the resources available to the Council – both in terms of ongoing revenue budgets and one-off resources. Whilst the due diligence process is yet to conclude and will be subject to constant review and revision, it is inevitable with a programme of this scale and size that additional costs of change will be identified as services are reviewed and transferred back to the Council.

6.30 The Council has limited one-off funding in the form of revenue and capital reserves. There must be an appropriate balance struck between the use of one-off funding to support the cost of change and supporting the revenue and capital budget and Council priorities over the medium-term.

6.31 Decisions regarding additional costs arising from service redesign and transfer will be subject to business cases that clearly outline how the proposal contributes to the wider outcomes in terms of a cost/benefit assessment (for example, additional cost assessed



against the ongoing saving opportunity and payback period). Whilst the governance process for the Transition Plan activities has yet to be finalised, it is recommended this includes consultation and sign-off with the Section 151 Officer to ensure overall project costs are managed, monitored, and reported as part of the quarterly financial performance reports.

6.32 It is important that members are kept apprised on the outcomes from the due diligence and the financial implications as they emerge during the transition period. Although there will be further reports to Cabinet and Council throughout the transition period, it is recommended that the quarterly financial performance reports to Cabinet include timely and relevant financial updates.

Risk Items

6.33 The 2025/26 Budget and MTFS includes budget provision to ensure the General Fund is not exposed to undue risk from contract inflation, procurement risk, and fees and charges income fluctuations.

6.34 £0.200m has been maintained as a contingency budget to mitigate the risk of inflationary pressure on the key Publica and Ubico contracts and to provide some budgetary headroom around fees and charges income.

6.35 This budget will be held centrally and would be allocated in support of evidenced budget pressures during the year identified through the quarterly financial monitoring process. Should these budgets not be required, in part or in full, they would be returned to the Financial Resilience Reserve (in-year) and reviewed as part of the 2026/27 budget setting process.

6.36 A further balance of £0.160m will be held centrally as detailed budgets are updated following Phase 1 and Phase 2 transfers. In effect, this balance is a timing difference – the total cost of services, whether provided by Publica or the Council, must be within the financial envelope set out in the MTFS and contained within the MTFS.



Savings

6.37 To ensure the Council is able to set a balanced budget for the forthcoming financial year, savings have been included where proposals are robust and can be delivered. The table below provides a summary of the savings included in the MTFs.

Table 8a – Savings

Savings and Budget reductions	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
<u>Corporate Savings and Income</u>				
LGPS - Secondary Rate (PIA) (Budget savings)	(196)	(196)	(196)	(196)
LGPS - Secondary Rate (PIA) (TV)	0	(500)	(500)	(500)
Trinity Road - rental income	(25)	(50)	(50)	(50)
<u>Other Expenditure Savings</u>				
Ubico - Rezoning of Rounds	(59)	(59)	(59)	(59)
Ubico - Street Service review	(150)	(150)	(150)	(150)
Business Rates - Car Parks (reduced liability)	(50)	(50)	(50)	(50)
Service Charges - Trinity Road tenants	(25)	(25)	(25)	(25)
Revenues and Benefits - additional grant funding	(41)	(41)	(41)	(41)
Other budget changes	(2)	(2)	(2)	(2)
<u>Fees & Charges</u>				
Car Parking Fees	(90)	(200)	(293)	(390)
Garden Waste - fee increase	(123)	(241)	(359)	(477)
Other Fees and Charges (as per Cabinet Report)	(53)	(53)	(53)	(53)
Planning Fees - Annual uplift	(15)	(15)	(15)	(15)
TOTAL	(829)	(1,582)	(1,793)	(2,008)

6.38 As can be seen from the MTFs Summary table in this report, the requirement to reduce costs and balance the budget are substantial over the MTFs period. Section 6 of this report sets out the position on budget and efficiency savings over the MTFs period as part of the balanced budget requirement.

Fees and Charges

6.39 The Budget Strategy report restated the approach of full cost recovery from fees and charges where possible for the services it provides.



6.40 The outcome from the review has been analysed and discussed with Cabinet members. The table below sets out the updated position on fees and charges income estimates for 2025/26 and includes an assumed annual uplift over the MTFs period. The decision on fees and charges will be considered by Cabinet as part of each year's budget setting round. A detailed schedule of the Fees and Charges was included as Annexes to the 2025/26 Fees and Charges Report.

6.41 A review of Car Park fees and Season Ticket pricing has been undertaken with the fees for ½ hour and 1 hour stays at all the Council's car parks held at current levels. Fees for stays of 2 hours or more have increased in line with the inflation increase between October 2023 and October 2024.

6.42 The impact of the changes and rebalancing of PCN and Permit income would be to increase the budgeted level of income in 2025/26 by £0.090m.

6.43 A Garden Waste fee increase of £5 (£64 to £69) takes into account the impact of rezoning and the increased cost pressures such as Employers National Insurance contributions. This increase will ensure the Garden Waste service is provided on a cost recovery basis, as can be seen from the calculation below. The MTFs assumptions assumes a slight reduction in subscribers at the start of the year due in part due to price sensitivity:

Table 8b – Garden Waste Service

	2025/26 Gross Service Cost (£'000)	(£'000) Forecast Income	Net Cost (£'000)
Garden Waste Service			
Net cost based on £64 per annum charge	1,454	(1,422)	32
Net cost based on £69 per annum charge (as per 2024 subscriber numbers)	1,454	(1,593)	(139)
Net cost based on £69 per annum charge (MTFS assumption)	1,454	(1,456)	(2)

Other Income changes

6.44 Cabinet considered the Agile Working Update and Tenancy Proposals for Trinity Road Council Offices in Cirencester at their meeting in February 2024.



- 6.45** Following a procurement exercise with engagement with serviced office providers, Watermoor Point was selected as the Council's partner with a Management Agreement.
- 6.46** An initial estimate of has been included in the 2025/26 Revenue Budget of £25k reflecting the current letting position. Take-up from tenants has initially been slow but Watermoor Point have reported a sharp increase in January. There are now nine tenants in place, there are 8 contracts out for signature, and there are 23 potential tenants for whom Watermoor Point is preparing quotes or providing information.
- 6.47** The open-plan atrium space is still largely unoccupied, but it is hoped as more tenants sign up and the space becomes busier and has more atmosphere, this will then attract even more tenants.
- 6.48** For the purposes of the MTFS, a prudent view has been taken on future income and expenditure savings. These will be updated once lettings have been agreed and will only be included in the revenue budget and MTFS when cashflow outcomes are certain.

Non-Service Expenditure and Income

- 6.49** Corporate Income and Expenditure budget items cover the non-service revenue expenditure and income that is included in the Council's General Fund. Non-Service budgets for 2025/26 of (£1.799m) are proposed and will reduce over the MTFS period as the revenue impact of capital financing takes effect. Specific budgets covering the Council's Treasury Management activities, approach to the revenue implications of capital financing, and planned reserve transfers are set out below in more detail.

Local Government Pension Scheme – Triennial Review

- 6.50** An assumption has been made from 2026/27 around the level of employer pension contributions. The next triennial review will commence in March 20225 and report through in the Autumn. Based on an initial mid-review point assessment by the pension fund actuary, the funding level is expected to be in the region of 140%.



6.51 Following consultation with Gloucestershire County Council who administer the LGPS and the actuary, an immediate reduction in the current stabilisation parameter is considered prudent. An estimate of a £0.500m annual reduction has been included in the MTFS as a result.

Treasury Management, Capital Financing and PWLB Lending Terms

6.52 The MTFS includes an estimate of the cost of borrowing required to support the capital programme. A Draft of the Treasury Management Strategy for 2025/26 (Annex F) was considered by Audit and Governance Committee at its meeting on 28 January 2025. The report sets out the forecast for the Council's Treasury Management activities (investments and borrowing). Advice is provided from the Council's Treasury Management advisors Arlingclose, in terms of investment performance, timing of decisions, capital financing, and the wider economic outlook.

6.53 The Council's capital financing approach is informed by the CIPFA and MHCLG guidance on the capital financing framework which has been reviewed and strengthened since 2020.

6.54 Provisions within the Levelling-Up and Regeneration Act that would have expanded the Government's statutory powers to intervene in the local government capital finance system have been dropped by the current Government.

6.55 It was confirmed during 2024 that Capital Flexibilities would continue to at least 2030. This would allow local authorities to develop local policies (subject to MHCLG and CIPFA guidance) to

- capitalise general cost pressures and meet these with capital receipts.
- allow authorities to borrow for the revenue costs of invest-to-save projects.
- provide additional flexibilities for the use of the proceeds of selling investment assets, such as using capital receipts to increase revenue reserves.
- discounted PWLB rates by 0.4% for invest-to-save projects, matching the current HRA rate.



6.56 The CIPFA Prudential Code on Capital Finance and Treasury Management Code of Practice were implemented in full with effect from April 2023. The main elements of the Codes are summarised below for reference only.

6.57 Prudential Code on Capital Finance:

- Provisions in the code, which present the approach to borrowing in advance of need in order to profit from additional sums borrowed, have been strengthened. The relevant parts of the code have augmented to be clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code. This recognises that commercial activity is part of regeneration but underlines that such transactions do not include debt-for-yield as the primary purpose of the investment or represent an unnecessary risk to public funds.
- Proportionality is included as an objective in the Prudential Code. Provisions have been added so that an authority incorporates an assessment of risk to levels of resources used for capital purposes.
- Capital strategies are required to report investments under the following headings: service, treasury management and commercial investments.

6.58 Treasury Management Code:

- Investment management practices and other recommendations relating to non-treasury investments are included within the Treasury Management Practices (TMPs) alongside existing TMPs.
- Introduction of the Liability Benchmark as a treasury management indicator for local government bodies.
- Environmental, Social and Governance (ESG) risks are incorporated into TMP1 (Risk Management) rather than a separate TMP 13.
- The purpose and objective of each category of investments should be described within the Treasury Management Strategy

6.59 As set out in the Annual Treasury Management Strategy, the Council's borrowing strategy is "to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required."



- 6.60** The MTFS includes estimates of the borrowing costs arising from the financing of the capital programme.
- 6.61** As set out in paragraph 3.6, the Bank of England has slowly reduced interest rates from their peak of 5.25% (August 2023) as inflationary pressures have eased. The current Bank of England base rate is 4.50% and was reduced from 4.75% at the MPC meeting on 05 February 2025. The council's treasury management advisors believe further reductions in the bank base rate will come through during 2025 tied to the quarterly report cycle to 3.75% by the end of the calendar year. The next MPC meeting is scheduled for 20 March 2025 with dates now agreed for 2025
- 6.62** The Treasury Management Strategy sets out the Council's policy on Minimum Revenue Provision (MRP) and is the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans)
- 6.63** The level of MRP to be charged to the revenue budget has been reviewed in light of the updated capital programme. MRP of £9k is to be charged in 2025/26 and is forecast to increase to £395k by 2028/29.
- 6.64** The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024 concerning the duty of local authorities to make prudent MRP each year.
- 6.65** Estimates of interest receivable on other investments remain positive but with some uncertainty around the wider global economy on the Council's longer-term investment returns. The Council continues to hold up to £12.5m in Pooled Funds and other longer-term investments, which have generated strong income returns. Investment income of £1.1m has been forecast for 2025/26 recognising the strong performance over the last 12 months whilst recognising the forecast fall in interest rates. The MTFS forecast assumes a reduced level of return from 2025/26 and further reductions over the MTFS period. This will be kept under review in terms of the overall cash position of the authority and the impact of forecast interest rate changes.



IFRS9 Statutory Override

- 6.66** The Government have indicated through the Local Government Finance Settlement consultation that they do not intend to extend the IFRS9 statutory override beyond its current end date of 31 March 2025. This position was confirmed in the Government's response to the consultation, although there does appear to be the prospect of "transitional support for historic investments" although it is unclear what form this would take. Councils would need to comply with the requirements of IFRS9 from financial year 2025/26 and the Council should still consider mitigation options in the absence of a clear position from the Government.
- 6.67** Since 2018, a statutory accounting override ("the override") has been in place that allows councils to disapply part of International Financial Reporting Standard 9 (IFRS 9), which would otherwise require councils to make provision in their budgets for changes in value (gains or losses) of certain types of financial investments (pooled investment funds). The override was put in place by the previous government in response to councils' concerns that this requirement would adversely affect their financial position and to provide time for councils to prepare for full compliance with IFRS 9. The original override was a temporary measure due to end 31 March 2023, later extended by 2 years following consultation with the sector. The override is currently due to end March 2025.
- 6.68** The implications for the Council could be significant. Should the value of the Council's Pooled Funds be below the original purchase value, any unrealised loss at the end of the 2025/26 financial year would need to be mitigated.
- 6.69** In anticipation of the statutory override period not being extended, the Council has established a Treasury Management Risk reserve to hold funds to manage the cyclical nature of pooled funds. However, there is a risk that the unrealised losses in a given year may exceed the amounts set aside in the earmarked reserve.
- 6.70** The Council will need to consider its risk appetite for potential pooled fund value fluctuations and whether further mitigation measures should be put in place. Such measures may include holding a greater balance in the earmarked reserve, consideration of disposal of some or all of the pooled funds. In reviewing mitigation



options, the Council will need to consider the revenue impact as pooled funds provide a longer-term investment return which supports the General Fund budget.

7. BALANCED BUDGET REQUIREMENT

- 7.1** The Council is legally required to set a balanced budget for the following financial year and remains balanced. As can be seen in the MTFs, the Council's core financial position is a balanced budget for 2025/26 with a transfer of the projected surplus to the Financial Resilience reserve. However, there is a significant and increasing projected budget gap of £1.589m in 2026/27 and is forecast to increase to £4.879m in 2027/28 and £6.282m by 2028/29. This is an unmitigated position and assumes that there are no cost reductions or savings measures identified.
- 7.2** An important part of the strategy for financial sustainability will be to continue to deliver efficiencies and savings over the coming years. The Council Business Plan and services must be delivered within the overall resource envelope available to the Council thereby reducing reliance on earmarked reserves to support the budget.
- 7.3** The level of savings set out in the MTFs does not meet the budget gap identified. The Financial Resilience reserve is being used to balance the budget in the short-term and will be depleted during 2027/28. For clarity, the MTFs assumes that the cost of change associated with the Publica review is contained within the existing financial envelope. Given the increasing budget gap from 2026/27 it is not unreasonable to expect service reviews to contribute towards a balanced budget position over the MTFs period. At this stage, it is difficult to make a robust judgement as to the level and timing of cost reduction for services that will be transferred from Publica to the Council.
- 7.4** The Council will need to address the scale of the budget gap to ensure a balanced budget can continue to be set over the MTFs period. The position set out in this report is by no means complete and the budget gap may change due to assumptions being updated.



- 7.5** Local Government Reorganisation, as outlined earlier in the report in the English Devolution white paper, and the proposals for Local Government Finance reforms, will exert significant influence over the prospects for the Council's finances over the MTFS-period.
- 7.6** The CIPFA Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code applies to all local authorities with the first full year of compliance required in 2022/23. The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:
- financially manage the short, medium, and long-term finances of a local authority
 - manage financial resilience to meet unforeseen demands on services.
 - manage unexpected shocks in their financial circumstances.
- 7.7** A key element of demonstrating financial sustainability and compliance with the FM Code is for the Council to ensure suitable mechanisms are in place around savings so that they are identified, agreed, planned, implemented, and achieved. This will help to ensure the funding gap identified within the MTFS is addressed in a planned and managed way.
- 7.8** In response to the adverse financial position forecast for 2024/25 outlined in the quarterly Financial Performance reports, Cabinet agreed the following in the [Financial Performance Report – Q2 2024/25](#) at their meeting on 05 December 2024:
- Cabinet review in-year opportunities with Publica and Ubico as part of the 2025/26 Budget options to mitigate the financial position as currently forecast across the MTFS period.
 - **Vacancy Management** - implement an Authority to Fill process with authorisation for all recruitment activity including time-limited agency cover, limits of day/hourly rates, recruitment costs. Prioritisation of posts/service areas with active recruitment to essential roles only.
 - **Consultancy support and external commissions** – s151 to provide guidance to all service leads on criteria under which external agency support can be



commissioned (subject to business case which would identify need based on criteria such as supports Corporate Plan delivery, alternative options have been considered, time-critical requirement to ensure project delivery, funding identified and available).

- Accelerate development of **refreshed Savings & Transformation plan** to ensure adequate cost reductions are identified, scoped, and planned over the MTFS period. Savings ideas will be grouped by workstream and clearly indicate outcomes expected in terms of financial and service benefits and set challenging but achievable action plans for delivery by agreed periods.
- Linked to the mitigation action above, consider actions for budget holders in 2025/26 to **reduce income pressures** on revenue budget as part of the review of fees and charges from a cost recovery position.
- **Publica Review Phase 2** poses the single biggest risk to a balanced budget in 2025/26 and over MTFS period. The design-led principle *Consideration of cost* must ensure that the additional cost of bring services back to the Council are quantified with mitigating actions taken to reduce the potential impact on the MTFS.

7.9 During 2024/25, the Cabinet Transform Working Group (CTWG) met to support Cabinet with identifying and reviewing savings and transformation opportunities.

7.10 The Cabinet Transform Working Group Council will need to further develop the approach to the Council's Savings AND Transformation Programme to address the budget gap identified over the MTFS period. This will need to include consideration of a service design framework for inclusion in the [Publica] Transition Plan to ensure service costs are contained within the financial envelope set out in the MTFS.

7.11 As set out earlier in the report, a Transformation Lead and Transformation Support role have been established funded from the Savings and Transformation earmarked reserve. This will provide the Council with additional capacity and support over the next two years to drive a transformation programme and identify and deliver ongoing revenue budget savings.



- 7.12** The MTFS does not include any savings targets as an approach to mitigating the budget gap. Including savings targets would not provide a credible MTFS or projection on reserve balances. Targets would not be robust as there would be insufficient details, plans, or business cases to support the inclusion of savings targets.
- 7.13** Instead, the MTFS presents the unmitigated position, with reserve balances utilised to support the MTFS. This is not a strategy in itself and is not a sustainable position. Tables 9b and 9c within the report do illustrate the impact on reserve balances of a different approach – namely the re-protitisation of reserve balances and the effect of £3m of budgets savings across 2026/27 and 2027/28. This is to highlight the scale of the financial challenge and that even with a modest level of savings in 2026/27, this does not in itself fully close the budget gap.
- 7.14** As set out in the report, the Council will need to accelerate the Savings and Transformation programme during 2025/26. With additional resources included in the revenue budget (funded from earmarked reserves), a balanced and proportionate Savings and Transformation Programme must be considered ahead of the 2026/27 budget setting process. The approach must set out the process for identifying, reviewing and agreeing workstreams, clear delivery timescales, and how effective governance will be demonstrated.
- 7.15** The Local Government Association (LGA) has developed a [Transformation Capability Framework](#). This sets out the essentials for successful (service) transformation and the resources the Council will need to deliver such a programme.
- 7.16** With the need to close the budget gap identified in the MTFS, a key aspect of the Savings and Transformation will need to be on robust business cases that outline the financial outcomes and certainty of delivery.

Balances and Reserves

- 7.17** A review of the Reserves and Balances strategy has been undertaken to consider the adequacy of reserves in light of the financial risks faced by the Council. The review has taken into account guidance published under CIPFA Bulletin 13: Local Authority Reserves and Balances (March 2023).



7.18 The Council's financial position is supported by its balances and reserves. The requirement for financial reserves is acknowledged in statute. Sections 31A, 32 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

7.19 There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:

- Balanced Budget requirement: England, Sections 31A, 42A of the Local Government Finance Act 1992, as amended.
- Chief Finance Officer (CFO) duty to report on robustness of estimates and adequacy of reserves (under Section 25 of the Local Government Act 2003) when the authority is considering its budget requirement.
- Requirements of the Prudential Code.

7.20 These requirements are reinforced by Section 114 of the Local Government Finance Act 1988 which requires the CFO to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted, and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

7.21 As set out earlier in the report, there is a much-heightened focus on financial sustainability throughout the sector, largely due to the number of Section 114 notices that have been issued since 2018 and local authorities seeking exceptional financial support.

7.22 The review of reserves and balances maintains the distinction between the General Fund Balance and Earmarked Reserves.

7.23 The General Fund Balance has been assessed taking account of the strategic, operational, and financial risks facing the authority and the underlying budgetary assumptions. This includes:



- The treatment of inflation and interest rates
- Level and timing of estimated capital receipts
- Treatment of demand-led pressures
- Treatment of planned efficiency savings
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements, or major capital developments
- The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.
- The general financial climate to which the authority is subject to

7.24 The General Fund Balance will be maintained at a minimum of £1.760m, with the Financial Resilience Reserve balance held at a level that would allow the Council to mitigate short-term fluctuations in income and expenditure (e.g., Business Rates, Government funding changes). Given the budget gap identified over the MTFS period, the Council must identify and deliver new savings to ensure this reserve is adequate.

7.25 However, these reserves should not be utilised to fund normal, on-going service provision. It is important to review the level of reserves regularly.

7.26 A review of the Council Priorities Fund revenue reserve was undertaken as part of the 2024/25 budget setting process with the recommendation that this is allocated into separate reserves linked to the priorities outlined in the Council's Corporate Plan as indicated below:

- Delivering Good Services
- Responding to the Climate Emergency
- Delivering Housing
- Supporting Communities
- Supporting the Economy

7.27 It is recommended that the following reserves are maintained to support delivery of the Council Plan, the Publica Review outcomes, and the ongoing preparation of the Council's Local Plan:



- **Council Priority: Publica Review** reserve – the estimated unspent balance (estimated at £0.225m) to provide adequate funding for the Council’s share of the costs arising during the Phase 2 of the Publica Transition.
- **Council Priority: Local Plan** reserve – a further £0.250m is allocated to the to ensure the next stages of the Local Plan preparation can be delivered following the update to the National Planning Policy Framework (NPPF) in December 2024. The Council has submitted an expression of interest to MHCLG for Delivery Funding of up to £0.250m. Should the Council be successful and receive an allocation, the level of reserve funding will be reviewed. It is anticipated that local authorities will be notified of outcome in February 2025.
- **Council Priority: Climate Emergency** reserve is maintained up to £0.250m
- **Council Priority: Housing Delivery** reserve is maintained at £0.500m
- **Council Priority: Regeneration/Infrastructure** reserve is maintained at £0.200m with a commitment of up to £0.070m regarding feasibility studies agreed by Cabinet in December 2024. The reserve is held to provide funding for feasibility studies and due diligence around the emerging Cirencester Town Centre Masterplan including support for the Council’s Car Park Strategy.
- **Council Priority: Transformation and Change** reserve is increased from £0.200m to £0.318m to provide funding for savings and transformation support, projects and invest to save initiatives.

7.28 New initiatives will require Members to review existing commitments against earmarked reserves and to reallocate funds accordingly.

7.29 Therefore, the following balances and reserves position is proposed over MTFS period:

- General Fund Balance to be maintained at minimum level of £1.760m
- Financial Resilience Reserve held to mitigate the budget gap identified in the MTFS and to facilitate profiling of a Savings and Transformation plan and support the award of the Leisure and Culture contract over MTFS period.
- Council Priorities reserves are maintained for 2025/26 to support the priorities outlined in the Corporate Plan.



7.30 If approved, the impact of these proposed changes outlined in the report to the level of balances and reserves is set out in the table below.

Table 9a – Reserves and Balances Forecast ('Do nothing' scenario)

	Estimated Balance 31/03/2025 (£'000)	Estimated Balance 31/03/2026 (£'000)	Estimated Balance 31/03/2027 (£'000)	Estimated Balance 31/03/2028 (£'000)	Estimated Balance 31/03/2029 (£'000)
As per MTFS					
General Fund	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)
Council Priorities	(2,649)	(1,613)	(902)	(902)	(902)
Financial Resilience Reserve	(2,884)	(4,164)	(2,647)	2,041	8,017
Financial Resilience Reserve - shortfall (indicative)					
Risk Mitigation	(2,245)	(2,344)	(1,335)	(1,447)	(1,214)
Ringfenced Earmarked Reserves	(19)	(14)	(14)	(14)	(14)
Other Revenue reserves	(1,782)	(877)	(872)	(867)	(862)
Subtotal Earmarked Reserves	(9,578)	(9,012)	(5,770)	(1,189)	5,026
TOTAL GF Balance + Earmarked Reserves	(11,338)	(10,772)	(7,530)	(2,949)	3,266

7.31 Whilst the level of reserves and balances shown in the table indicates that the Council is in a good financial position, the budget gap from 2026/27, increasing over the MTFS period, would reduce the Financial Resilience Reserve to a nil balance during 2027/28.

7.32 The Council will need to ensure the continued delivery of robust, balanced, and proportionate savings to mitigate the budget gap over the MTFS period.

7.33 The Balances and Reserves Strategy recognises the financial risks facing the Council over the MTFS period. A key consideration is to ensure financial resilience and sustainability can be supported through the strategy.

7.34 With a significant budget gap forecast from 2026/27 and increasing over the MTFS-period, it is crucial for the Council to close this gap through a comprehensive Savings and Transformation Programme. At this stage of the financial planning process, the budget gap is only mitigated through the utilisation of the Financial Resilience reserve and other risk-mitigation reserves such as the Business Rates risk reserve.



7.35 Whilst this is a reasonable position for the forthcoming financial year, it is not a sustainable position. Without additional cost reduction measures, the Financial Resilience reserve will be depleted by 2027/28. It is not prudent, therefore, for the Council to maintain other reserve balances for other projects and priorities if financial sustainability cannot be maintained.

7.36 Balances held under each Council Priority will need to be reviewed should there not be adequate mitigation to the budget gap as outlined in the MTFS.

7.37 The tables below are intended to illustrate the impact on reserve balances with mitigation measures in place (i.e. additional cost reduction and savings are identified and delivered in 2026/27 and 2027/28).

Tables 9b and 9c – Reserves and Balances Forecast (Reprioritisation of reserves)

	Estimated Balance 31/03/2025 (£'000)	Estimated Balance 31/03/2026 (£'000)	Estimated Balance 31/03/2027 (£'000)	Estimated Balance 31/03/2028 (£'000)	Estimated Balance 31/03/2029 (£'000)
As per MTFS with <u>NO</u> mitigation					
General Fund	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)
Council Priorities	(2,649)	(1,613)	0	0	0
Financial Resilience Reserve	(2,884)	(4,164)	(3,549)	1,139	7,115
Financial Resilience Reserve - shortfall (indicative)					
Risk Mitigation	(2,245)	(2,344)	(1,335)	(1,447)	(1,214)
Ringfenced Earmarked Reserves	(19)	(14)	(14)	(14)	(14)
Other Revenue reserves	(1,782)	(877)	(872)	(867)	(862)
Subtotal Earmarked Reserves	(9,578)	(9,012)	(5,770)	(1,189)	5,026
TOTAL GF Balance + Earmarked Reserves	(11,338)	(10,772)	(7,530)	(2,949)	3,266

7.38 Under this scenario, with no additional savings or mitigation, balances held under the broad heading of "Council Priorities" are transferred to the Financial Resilience Reserve to ensure adequate resources are available to support the MTFS. This scenario does not address nor fully fund the budget gap but is shown for illustrative purposes.



	Estimated Balance 31/03/2025 (£'000)	Estimated Balance 31/03/2026 (£'000)	Estimated Balance 31/03/2027 (£'000)	Estimated Balance 31/03/2028 (£'000)	Estimated Balance 31/03/2029 (£'000)
As per MTFS with further savings by 2027/28					
General Fund	(1,760)	(1,760)	(1,760)	(1,760)	(1,760)
Council Priorities	(2,649)	(1,613)	0	0	0
Financial Resilience Reserve	(2,884)	(4,164)	(4,549)	(861)	4,115
Financial Resilience Reserve - shortfall (indicative)					
Risk Mitigation	(2,245)	(2,344)	(1,335)	(1,447)	(1,214)
Ringfenced Earmarked Reserves	(19)	(14)	(14)	(14)	(14)
Other Revenue reserves	(1,782)	(877)	(872)	(867)	(862)
Subtotal Earmarked Reserves	(9,578)	(9,012)	(6,770)	(3,189)	2,026
TOTAL GF Balance + Earmarked Reserves	(11,338)	(10,772)	(8,530)	(4,949)	266

7.39 Under this scenario, mitigation measures reduce the net budget by £1m in 20226.27 and a further £2m in 2027/28. Balances held under the broad heading of "Council Priorities" are transferred to the Financial Resilience Reserve to ensure adequate resources are available to support the MTFS. This scenario ensures there is a positive balance at the end of 2028/29 and is shown for illustrative purposes.

Table 10 – Summary Medium Term Financial Forecast

	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
MTFS Summary				
Net Service Revenue Expenditure	17,241	17,241	17,241	17,241
Corporate Items/Non Service Income & Expenditure	(1,154)	(459)	169	121
Transfers to/(from) earmarked reserves	(620)	(1,259)	(13)	37
Provision for Inflation	0	629	1,268	1,903
Service + Corporate Items	15,467	16,152	18,664	19,302
Budget Pressures	597	763	564	464
Technical Adjustments	0	0	0	0
Risk Items	0	0	0	0
Savings and Transformation Plan items	(359)	(1,340)	(1,551)	(1,766)
Draft Net Revenue Budget	15,704	15,575	17,677	18,000
TOTAL Funding	(16,342)	(13,986)	(12,797)	(11,718)
Budget Gap / (Surplus)	(638)	1,589	4,879	6,282

7.40 The summary MTFS shown above highlights the significant and increasing budget gap over the MTFS-period. There is considerable uncertainty around the Council's finances



from 2026/27 given the proposed reforms to Local Government Finance and the potential impact from the Devolution White Paper.

7.41 However, the MTFS forecast is based on reasonable assumptions and should be viewed as a good indication as to the direction of travel.

8. FUNDING

8.1 The MTFS includes a forecast of the level of funding available to support the General Fund over the medium-term which are set out in detail below.

Overview

8.2 As set out earlier in Section 2, there is considerable uncertainty over the medium-term. Forecasts of funding for 2026/27 are based on the assumption that that reforms to Local Government Finance, as set out in the consultation document, are delivered in full.

8.3 Estimating the level of Government funding for 2026/27 and beyond is difficult as there is no certainty around the timing and scale of the transition from the current finance system for local government. Coupled with Local Government Reform which will see Shire District Councils such as Cotswold abolished, there has never been greater uncertainty to the forecasts.

8.4 For the purposes of the MTFS, it has been assumed that the pace of reform will be relative quick (i.e., transitional arrangements will be in place for a shorter period of time than has been the case with previous reforms of local government finance). This is shown in the funding estimates for 2026/27 to 2028/29 as damping. This funding mechanism is provided to ensure that funding reductions are managed over a defined period of time so that no Council would see a reduction of more than x% (e.g. no more than say 5% or 10% in any given year). For MTFS modelling purpose a floor of 10% has been assumed which would move funding over a 4-year period. Estimates for the later MTFS period should, therefore, be treated with a high degree of caution.



- 8.5** The pace of Local Government Reform in Gloucestershire will ultimately determine the level of transitional arrangement funding provided.

Business Rates

- 8.6** The Council was required to finalise its Business Rates estimates for 2025/26 and its initial estimate of any surplus or deficit for 2024/25 by 31 January 2025. The estimate of retained business rates income included in this report do not take into account the final forecasts for business rates that were submitted in the NNDR1 return.
- 8.7** Forecasting business rates income is complex with the impact of the lower level of Leisure, Retail and Hospitality relief outlined in the Autumn Statement and the implementation of shorter 3-year revaluation periods contributing to the level of uncertainty around forecasts for the medium-term.
- 8.8** The estimate of business rates income has been prepared based on the rateable value of properties on the rating list on 31 December 2024. Forecasts have been made concerning the level of mandatory and discretionary reliefs that will be given, and an allowance made for bad debts and repayments.
- 8.9** Business rates are collected by the Council, and the proceeds are shared between Cotswold District Council, Gloucestershire County Council, and the Government. There is an element of risk and reward involved in the Business Rates scheme, which is designed to incentivise Councils to promote business growth within their areas. The business rates retention scheme is volatile and estimating the outturn is complex due to factors such as appeals, demolitions, new builds, occupation, and reliefs.
- 8.10** The draft forecast for business rates included in this report, although broadly similar to last year, has seen significant changes in terms of rateable values and reliefs. The assumption made in the MTFS is the Council's share of retained business rates is based on a draft assessment of the NNDR1 data and is estimated at £5.117m in 2025/26. The final estimate will not be available until 31 January 2025, and it is recommended that a delegation is provided to the Council's Deputy Chief Executive, in consultation with the Deputy Leader and Cabinet Member for Finance and Transformation for any changes to the General Fund Summary arising from the Local Government Finance



Settlement and the Business Rates Retention Scheme estimates prior to submission to Council.

- 8.11** Each year the Council forecasts whether its collection of Business Rates will be higher than anticipated, resulting in a “surplus” on the Collection Fund, or lower than anticipated, resulting in a “deficit” on the Collection Fund.
- 8.12** Where this Council forecasts a surplus on the Collection Fund, the surplus is paid out in the following financial year to the County Council (10%), Government (50%) and the District Council (40%). Similarly, where the Council forecasts a deficit, the deficit is recovered in the same proportions in the following financial year. It is important that the Council is aware of the risk on the Collection Fund – there can be significant change in business rates income from one year to the next.
- 8.13** The draft position on the Collection Fund is a deficit of £2.023m of which £0.809m is Cotswold’s share. In order to mitigate the impact this would have on the 2025/26 revenue budget (the deficit would reduce the level of funding), an equal amount will be transferred from the Business Rates risk reserve and Section 31 Grant reserve.
- 8.14** The table below should be considered as an initial forecast based on a high-level view on the impact of the revaluation and business rates reliefs.

Table 11 – Business Rates Forecast

	2024/25 Final (£'000)	2025/26 Est. (£'000)
Derivation of BRR Figures for MTFS		
Non-Domestic rating income (NNDR1 Estimate)	13,495	14,754
Less: Tariff Payment to Government	(13,332)	(13,444)
Less: Estimated Levy Payment to Government	(1,747)	(1,628)
Add: Renewable Energy schemes	117	268
Estimated Retained Business Rates	(1,467)	(50)
Section 31 Grant Payable	6,481	5,167
TOTAL Funding from Business Rates	5,014	5,117
Assumed BRR included in MTFS	5,014	5,117



Gloucestershire Business Rates Pool

- 8.15** The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth. The Pool Levy rate increased from 15% to 21% because of the 2023/24 revaluation resulting in a lower proportion of business rates growth being retained in the County.
- 8.16** As advised to members in the 2025/26 Budget Strategy and Medium-Term Financial Strategy (MTFS) Update report, the composition of the Pool was amended to maximise the amount of pool benefit retained in Gloucestershire. The current pooling arrangements (which includes all 6 Districts Council and the County Council) was revoked. New pooling arrangements were approved by the Secretary of State in December 2024 which excludes Cheltenham Borough Council.
- 8.17** 4Given the purpose of the Gloucestershire Pool is to share benefit and maximise the retention of business rates locally, the local distribution agreement has been updated to ensure that Cheltenham receives benefit as if it were a member of the formal business rates pool using the current allocation basis in place.
- 8.18** Any windfall gain associated with the Business Rates Pool will be allocated to the Business Rates Risk reserve and/or Financial Resilience reserve.
- 8.19** There remains uncertainty over the future of Business Rates Pooling beyond 2025/26. Local Government Finance reforms will include a reset to business rates alongside the shorter 3-year valuation periods. Therefore, there is a risk that Pooling may not be financially viable as there may be too much risk and too little reward.

New Homes Bonus (NHB)

- 8.20** New Homes Bonus will continue for a further year in 2025/26 with an allocation of £0.820m included in the provisional settlement. As has been the case over the last four financial years, 2025/26 is a one-year only allocation and does not give rise to an ongoing legacy payment. The Government has indicated it will set out the future position of New Homes Bonus ahead of the 2026/27 local government finance settlement.



Funding Floor (formerly known as Funding Guarantee)

- 8.21** The provisional settlement includes the Funding Floor protects all local authorities from a year-on-year reduction in CSP. The funding floor assumes authorities use the maximum of their council tax flexibilities but excludes any grants rolled into CSP in 2025-26. The Funding Floor provides a lower level of support than the Funding Guarantee and only ensures that all councils will see at least a cash-flat (i.e. 0% change) core spending.
- 8.22** For Cotswold, the value of the Funding Floor is £2.230m for 2025/26 with no assumption in the MTF5 is for further support over the MTF5-period. Whilst this funding is welcomed, it falls short of mitigating the inflationary pressures on the Council's budget.

Other Grants/Funding

- 8.23** The Government has abolished the Rural Services Delivery Grant (RSDG) that recognised the cost of service delivery in rural areas. This provided £0.820m of funding in 2024/25 with no clear indication at this stage as to how rural councils will be supported financially in future settlements.
- 8.24** The Final Settlement included an allocation of £0.133 in respect of increased Employer National Insurance Contributions announced in the October 2024 budget.
- 8.25** Revenue Support Grant (RSG) of £0.164m for 2025/26 has been provided in the provisional settlement. Since 2024/25, this is a consolidation of four previous grants which maintain their existing distribution. These are the Independent Living Fund; Council Tax Discounts – Family Annex; Local Council Tax Support Administration Subsidy; and Natasha's Law. The value of the rolled-in grants is broadly equal to the RSG allocation and should be viewed as replacing existing distinct funding streams rather than 'new' funding.

Extended Producer Responsibility [EPR]

- 8.26** In November 2024, the Department for Environment, Food and Rural Affairs (DEFRA) set out the amount of funding the Council would receive for extended producer



responsibility. The funding is intended to help local authorities to cover net costs of collecting, managing, recycling and disposing of household packaging waste.

8.27 In the first year (April 2025 to March 2026) local authorities will receive a basic payment based on:

- publicly available and existing data, including WasteDataFlow information and Office of National Statistics (ONS) data.
- data about tonnages, operations and unit costs gathered from a representative sample of LAs across the UK

8.28 The amount allocated to Cotswold for 2025/26 is £1.502m

8.29 From the second year (April 2026 to March 2027) the basic payment and any adjustments will be based on data local authorities submit to the Scheme Administrator.

8.30 It is difficult to estimate the amount of ongoing funding the Council may receive from EPR as it will be dependent of a number of factors such as the data that will need to be submitted, producer and consumer behaviour, assessment of costs of an efficient service as determined by DEFRA.

8.31 For the purposes of the MTFs, an assumption has been made that future funding would be at 50% of the 2024/25 allocation. This will need to be reviewed during 2025/26 as the scheme for future years is developed by the scheme administrator.

8.32 The table below sets out the assumed level of funding included within the MTFs.



Table 12 – Funding assumed in MTFS forecast

	Final 2024/25 (£'000)	FINAL 2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
Funding included in MTFS					
Council Tax	6,597	7,065	7,361	7,661	7,967
Business Rates Retention (net of risk + returned funding)	5,014	5,117	2,304	2,435	2,571
Rural Services Delivery Grant	818	0	0	0	0
Lower Tier Services Grant	0	0	0	0	0
Funding Floor	2,231	2,230	0	0	0
Services Grant	13	0	0	0	0
New Homes Bonus	287	820	0	0	0
New Homes Bonus (Returned Funding)	0	0	0	0	0
Revenue Support Grant (RSG)	144	164	(1,704)	(1,723)	(1,745)
(Negative) Revenue Support Grant	0	0	0	0	0
Transitional Protection (Damping)	0	0	5,141	3,541	2,041
pEPR		1,502	751	751	751
Employer's National Insurance Contributions Grant		133	133	133	133
Collection Fund - CT	28	119	0	0	0
Collection Fund - NNDR	445	(809)	0	0	0
TOTAL Funding	15,577	16,342	13,986	12,797	11,718
Proposed Net Revenue Budget	15,061	15,704	15,575	17,677	18,000
Budget shortfall/(surplus)	(516)	(638)	1,589	4,879	6,282

Council Tax

8.33 The referendum threshold for 2025/26 for Shire Districts including Cotswold District Council is 2.99% or £5 (whichever is the greater). The Core Spending Power calculation published with the Local Government Finance Settlement assumed that all authorities would raise their Council Tax towards the maximum allowable amounts. Factoring such increases into the funding assessment, removes flexibility for local authorities to take local decisions about tax levels and to use increases in local taxation to offset local spending pressures. Councils now need to make these increases just to keep total funding levels at a standstill.

8.34 The revenue budget assumes a £5 increase in a Band D charge for Council Tax, which falls within the permissible level of increase before triggering a local referendum and equates to an increase less than 10 pence per week for a Band D property.



8.35 A £5 increase in Council Tax formed part of the Budget Consultation undertaken in January 2025. The results of the consultation exercise indicated strong support from respondents to a £5 increase in the Band D Council Tax rate. Question 1 asked:

To support our priorities and help us to close our expected funding gap from the Government, we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property (£3.33 for Band A up to £10 for Band G). Do you agree with this approach?

8.36 The response to this question was supportive. 69.6% agreed or strongly agreed with the proposed Council Tax increase. 28.3% disagreed or strongly disagreed whilst 2.2% provided no answer.

8.37 A Council Tax rise of £5 increases the Band D rate from £153.93 to £158.93 and will generate an additional £0.469m in additional Council Tax revenue annually (when taken with estimated changes to the taxbase and additional premiums). The MTFS assumes an increase of up to £5 per annum. This would generate £1.370m over the MTFS period including 2025/26 (£0.901m 2026/27 to 2028/29).

Table 13 – Council Tax Income

	2025/26	2026/27	2027/28	2028/29
Taxbase	44,456.16	44,900.72	45,349.73	45,803.23
Assumed Band D rate (£)	158.93	163.93	168.93	173.93

	2025/26	2026/27	2027/28	2028/29
Precept (£'000)	7,065	7,361	7,661	7,967
Increase (£'000)	469	295	300	306
Cumulative Increase (£'000)	755	1,050	1,350	1,656

8.38 At their meeting on 20 March 2024 Council approved to introduce a Council Tax premium on second homes (from April 2025) and to apply the maximum premium for Empty Homes (from April 2024) as set out in the Levelling Up and Regeneration Act 2023.

8.39 The Government provided guidance to local authorities in November 2024 setting out exceptions to council tax premiums on second and empty homes. These



regulations and guidance come into force on 01 November and have effect from 01 April 2025.

- 8.40** The initial estimate provided in the March 2024 report indicated that £3.4m of additional Council Tax would be generated with Cotswold District Council's share being £0.246m. The report proposed that the District Council's share of the additional revenue is set aside in the Council Priority: Housing Delivery reserve to facilitate the provision for additional affordable housing units across the district.
- 8.41** This proposal is subject to ongoing review by the Leader and Deputy Leader, in consultation with the Deputy Chief Executive to ensure the level of funding available to support the Council priority and the Council's wider financial sustainability objectives are met.
- 8.42** In assessing the likely level of additional Council Tax the Second Homes premium would generate, a prudent estimate has been taken due to the level of exemption that would be applied to certain properties across the district (i.e. those around Cotswold Lakes).
- 8.43** The Council will need to liaise with second homeowners and Parish and Town Councils during 2025 to ensure the taxbase reflects the number of second homes in the district. The prudent estimate used for 2025.26 Council Tax setting purposes is based on information on second homes within the Council Tax revenue system. This may not be a complete record of all the second homes as there has been no requirement for this data to be provided by homeowners.
- 8.44** The Empty Homes Premium is applied to dwellings which are unoccupied and substantially unfurnished with an increasing level of premium depending on the length of time the property has remained Empty.
- Premium of 100% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) after 1 year up to 5 years of becoming empty;



- Premium of 200% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) between 5 years and 10 years;
- Premium of 300% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) for 10 years or more.

8.45 The decision to set Council Tax remains an annual decision for Council to consider when setting the budget in February.

Local Council Tax Support Scheme

8.46 Council approved the Council Tax Support scheme for 2025/26 at their meeting on 27 November 2024. Revisions to the scheme included an increase to income bands within the scheme of 4% to give support to households through the cost-of-living crisis.

8.47 The cost of the scheme will increase by approximately £28k across all preceptors, with the cost to Cotswold District Council estimated to be just under £2k. The impact of this has been reflected in the Council Tax estimate included within the MTFS.

Council Taxbase

8.48 The Taxbase for 2025/26 has been estimated at 44,546.16 and represents an increase of 1,600.83 (3.74%) over the 2024/25 figure when including the estimated number second homes that would be liable for the premium. On a like-for-like basis (i.e. excluding the impact of the Second Homes premium), the increase is 785.07 (1.83%).

8.49 For the purposes of the MTFS it has been assumed the Taxbase will grow at 1.00% per annum.

Collection Fund (Council Tax and NNDR)

8.50 The Council Tax Collection Fund is estimated to be in surplus by the end of the current financial year by £0.990m. Cotswold District Council's share is £0.119m and is included within the Council Tax Collection Fund deficit line within the MTFS.



8.51 Collection rates for Council Tax have remained resilient throughout 2024/25. At the time of writing, the Revenues team have been able to collect the majority of Council Tax due for the year and the collection rate has improved each month. The latest available collection data suggests that the Council is above the collection rate for the same period in 2023/24 and the total collected is forecast to be above the level precepted against the Collection Fund.

8.52 Any surplus of deficit on the Collection Fund is shared across the major precepting authorities (Gloucestershire County Council and Gloucestershire Police and Crime Commissioner).

9. CAPITAL PROGRAMME 2025/26 TO 2028/29

9.1 The Council's Capital Strategy and Capital Programme are considered over a five-year period. The Strategy provides the framework for the Council's capital expenditure and financing plans to ensure they are affordable, prudent, and sustainable over the longer-term.

9.2 The Council has set out its Capital Programme for the period 2025/26 to 2028/29 based on the principles of the current Capital Strategy. This is summarised in the table below and in further detail in Annex D of this report. A total capital expenditure budget of £4.0m in 2025/26 is proposed. Total expenditure over the programme period is estimated at £18.1m (£25.4m when including the current financial year)

9.3 The capital programme is focused on delivering against the Council's key priorities, with further schemes focused on enhancing the delivery of core services through improvement and enhancement of assets. The programme also includes support for the provision of affordable local housing and the Council's statutory duties in respect of Disabled Facilities Grants.



Table 14 – Summary Capital Programme

Capital Programme	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Leisure & Communities	1,491	0	500	0	0	1,991
Housing/Planning and Strategic Housing	2,405	1,718	1,839	2,230	1,775	9,967
Environment	1,606	1,132	5,255	1,826	205	10,025
ICT, Change and Customer Services	150	350	150	150	150	950
UK Rural Prosperity Fund	752	0	0	0	0	752
UK Shared Prosperity Fund Projects	134	327	0	0	0	461
Land, Legal and Property	517	500	0	0	0	1,017
Transformation and Investment	257	0	0	0	0	257
	7,312	4,027	7,744	4,207	2,130	25,420

9.4 The capital programme includes investment in the Council's Leisure Centres, supporting the delivery of Housing in the District, responding to the Climate emergency and investment in new waste collection vehicles to support the service.

9.5 The Council has developed an Asset Management Strategy supported by Carter Jonas during 2024/25. This was presented to Cabinet in May 2024 and is being further developed to include detailed asset management plans and Minimum Efficiency Standards (MES) considerations for the Land and Buildings assets it holds. The emerging strategy provides a longer-term view of the income and expenditure profiles, tenant events, hold and disposal options. The strategy will help ensure that the Council's capital assets are maintained, developed, and continue to contribute effectively to the delivery of the Council services, to support the local economy or provide income in line with expectations. Where there are opportunities to use assets more effectively to deliver Council Priorities, business cases will be presented to the Cabinet or Council for approval.

9.6 The Council's capital expenditure has up until the current financial year been predominantly financed from capital receipts. As these are forecast to deplete over the capital programme period the Council will need to undertake prudential borrowing to support future capital expenditure plans. Other sources of finance support the



capital programme, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts).

9.7 At their meeting on 31 October 2023 Overview and Scrutiny Committee recommended that the Capital Programme should be kept under review to ensure the revenue impact of capital expenditure and financing decisions were fully considered.

9.8 The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at the time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives will be brought forward for approval. However, with the current relative high cost of borrowing, the business cases for new projects will need to be robust, include adequate headroom to cover capital financing costs, and be subject to additional challenge from officers prior to member consideration.

Table 15 – Summary Capital Financing Statement

	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Capital receipts	3,628	2,052	3,184	2,476	355	11,695
Capital Grants and Contributions	3,269	1,975	1,689	1,731	1,775	10,439
Community Municipal Investment	415	0	0	0	0	415
Prudential Borrowing	0	0	2,871	0	0	2,871
TOTAL	7,312	4,027	7,744	4,207	2,130	25,420

10. KEY ASSUMPTIONS, RISKS, AND UNCERTAINTIES

10.1 There are a number of financial risks that the Council will face over the medium-term. The 2025/26 Budget and the MTFS have been prepared with consideration of these risks, but as with any forecast, an inherent level of risk will remain.



10.2 The first key risk is around the nature and scope of local government funding from the Government in 2026/27 and more substantially, the impact of Devolution and Local Government Reorganisation over the MTFS-period.

10.3 It is very difficult to estimate with certainty the impact on Cotswold. Fundamental changes to the way in which each Council's needs are assessed and funded will need to be consulted on and modelled prior to the 2026/27 Local Government Finance Settlement. Therefore, considerable risk and uncertainty remains in the estimates for 2025/26 and beyond.

10.4 However, the MTFS has for a number of years included a significant reduction in the level of retained business rates income from 2026/27. This is due to the Business Rates reset that will be part of Local Government Finance Reform. An estimate has been made around transitional arrangements, but these are not based on any indication or commitment from the Government but have been based on financial modelling provided by Pixel including a view on damping (transitional arrangements upon implementation of the new distribution methodology to avoid significant step-changes, shocks or disruption to stable financial planning and service delivery).

10.5 The second key risk is around the continued impact on the Council from pressures within the wider economy including growth expectations, inflation, and interest rates. This will have an impact on income and expenditure budgets during 2025/26 and will require timely and accurate financial reporting to Cabinet. These risks include:

- Income from Council Tax and Business Rates will continue to be under pressure in 2025/26 with an expectation that the taxbase for Council Tax and Business Rates may take time to recover.
- Increased demand for certain services (e.g., Homelessness) may put additional financial pressure on the Council.
- Cost of services where the Council is exposed to risk sharing in contract costs.
- Energy cost pressures

10.6 A third key risk is around the impact from the Publica Review. As set out in the report, Phase 2 of the transition will increase the cost of services due to increased employer



pension contributions and a reduced emphasis on sharing of services. The MTFs has made a broad assumption based on a limited number of services that are being considered for Phase 2. There remains uncertainty around future service transition due to Devolution/Local Government Reorganisation. Cabinet and Council will consider the Phase 2 Transition Plan and the financial implications in March 2025.

10.7 For the purposes of the 2025/26 revenue budget and the MTFs, it is assumed the cost of services will remain within the cost envelope set out over the medium-term.

10.8 Inevitably, there are likely to be workforce planning costs arising from the transfer of services under Phase 2. Due to the nature of shared service delivery being more prevalent for Phase 2 services, the timing of workforce planning costs and mitigation measures is difficult to estimate with any certainty. Therefore, it is appropriate to set out the approach the Council will take to financing these costs over the transition period.

10.9 In order to ensure adequate provision is made for the costs and mitigation options over the transition period, the Council must have adequate financial headroom in order to make key decisions on service design. Therefore, it is proposed that the following approach is adopted:

- Ongoing review of vacancies with first call on confirmed underspends to be allocated to the Workforce Planning reserve.
- Flexible use of capital receipts (subject to business case and assessment of wider capital financing implications)

10.10 The budget has been prepared in light of key financial risks facing the Council over the medium-term, principally:

- Local Government Finance Reforms due from April 2026.
- Uncertainty around the timing of Devolution/Local Government Reorganisation.
- Treasury management issues including interest rates, level of capital expenditure, use of internal resources, borrowing costs.
- External economic environment – UK and global economy.



- Financial impact of the Capital Programme on the revenue budget – the affordability of the capital programme and future schemes needs to be carefully considered.
- Unbudgeted costs (for example from service demand or legal challenge to planning decisions.)

11. CONCLUSIONS

11.1 Despite the uncertainties around Local Government Funding Reforms, the continued pressure on households from the Cost-of-Living crisis, and the general economic position, the Council has been able to prepare a balanced budget whilst maintaining services to residents.

11.2 The budget has been prepared in accordance with the approved budget strategy. This includes the principle of maintaining the Council's general fund revenue risk-based balance at £1.760m and maintaining other usable reserves to mitigate risk and support improvement.

11.3 The Council will need to continue to take steps to manage and address the budget gap identified over the MTFS period.

11.4 The Capital Programme includes planned expenditure £7.744m in 2025/26 with the Council needing to consider the outcome of due diligence work on other potential schemes before any further capital expenditure is committed.

11.5 The budget includes a recommendation to Council for the current Council Tax level to increase by £5 for a Band D property (from £153.93 per annum to £158.93) – an increase of around 10p per week) in line with government assumptions within its settlement funding formula.

11.6 Cabinet, with support from the Cabinet Transform Working Group Council will need to further develop the approach to the Council's Savings Programme to address the budget gap identified over the MTFS period. This will need to include consideration of a service design framework for inclusion in the [Publica] Transition Plan to ensure service costs are contained within the financial envelope set out in the MTFS.



11.7 The Council is required to balance the budget one year from the next and must deliver an ongoing savings programme – a robust, balanced, and proportionate plan of cost management and income generation opportunities to ensure the Council is able to achieve financial sustainability.

11.8 Reserves continue to be held to support the implementation of key projects and to mitigate against the substantial increased risk the Council is facing. Reserves held to promote financial sustainability are forecast to be depleted during the MTFS period. Consideration should be given as part of the year-end procedures for 2024/25 as to their adequacy for future financial years given the current risks and uncertainties identified in this report. All reserves will be monitored and reported to Cabinet throughout 2025/26.

12. FINANCIAL IMPLICATIONS

12.1 The financial implications are set out in detail within the report.

13. LEGAL IMPLICATIONS

13.1 None directly as a result of a review of the draft report

14. RISK ASSESSMENT

14.1 Section 11 of this report set out the risks and uncertainties around the 2025/26 budget and MTFS forecast.

15. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

15.1 None

16. BACKGROUND PAPERS

16.1 None



ANNEX A

REPORT OF THE CHIEF FINANCE OFFICER

1. BACKGROUND

- 1.1** Section 25 of the Local Government Finance Act 2003 places a statutory duty on the Chief Financial Officer to report to the authority, at the time the budget is considered, and the council tax is set on:
- the robustness of the estimates included in the budget.
 - and the adequacy of the financial reserves in the budget
- 1.2** The Act requires councillors to have regard to the report in making decisions at the Council's budget setting and council tax setting meeting(s).
- 1.3** In a briefing note on the Section 25 Statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) highlight the importance for members as it provides "critical context for budgetary discussions" and ensures that "all members have regard to the professional advice provided by the authority's chief financial officer when final budget decisions are being made."
- 1.4** Whilst there is no prescribed format for the Section 25 statement, recent discussions have focussed on ensuring the statement provides members with a clear understanding of the key strategic risks and challenges facing the sector:

2. INTRODUCTION

- 2.1** Local authorities are under significant financial pressure, and several have either issued Section 114 notices, sought Exceptional Financial Support (EFS), or have been the subject of specific Public Interest Reports.
- 2.2** MHCLG have sought early engagement with local authorities who may be at risk of issuing a Section 114 notice. The aim of this engagement is to mitigate the risk of a Section 114 notice by exploring options which may lead to the Government providing Exceptional Financial Support (EFS). This is a form of temporary financial assistance provided by the Government to local authorities that are facing severe financial



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difficulties. This support is typically used to help a council meet its immediate financial obligations and avoid insolvency.

- 1.1.** It is provided under specific, exceptional circumstances, and local authorities usually need to demonstrate that they have exhausted all other options before this support is granted. The terms of the support can vary and might include loans or other forms of financial assistance. For the coming financial year, six local authorities have been through EFS, and been able to increase their Council Tax by more than the limits set out within the Referendum Principles.

- 2.3** Section 114 notices are issued by the Chief Finance Officer when they believe Members have or are minded to approve an unbalanced budget where expenditure in a financial year is likely to exceed the resources available. Issuing the notice immediately suspends all financial activity apart from that which is necessary to maintain statutory duties. It also initiates a 21-day period for full council to consider the report and agree urgent action to start to remedy the situation. The authority's external auditors and the Ministry for Housing, Local Government and Communities (MHCLG) will also be notified and can step in to provide advice and support.

- 2.4** CIPFA published a brief report ([CIPFA Report on s114 notices](#)) on learning the lessons from Section 114 notices. These used to be issued very rarely but members will note from that Nottingham, Birmingham, and Woking have issued such notices in recent years.

- 2.5** It is worth stating that whilst there is no immediate risk of Cotswold District Council having to consider issuing a section 114 notice, members will note the budget gap forecast from 2026/27 and over the medium-term must be closed to maintain financial sustainability.



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2.6 CIPFA's report made the following points:

- The savings process should be effective and engaging, with budget holders actively involved in identifying and delivering savings.
- The risks around commercial activities must be clearly understood, with effective oversight of council-owned companies.
- Elected members must receive training on financial matters, improving their understanding of complex issues.
- Governance arrangements should be strengthened and include the ability to speak truth to power.
- Internal audit should review the effectiveness of financial rules and processes, and knowledge of and compliance with financial regulations.
- The quality of financial management should be assessed.

1.2. The level of uncertainty across the sector is unprecedented and must be considered by members when assessing the short and medium-term financial position. Reforms to Local Government Finance, originally due to be implemented from April 2020, will take effect from April 2026 following consultation over the coming months. The reforms are expected to have a significant detrimental impact on the level of funding the Council receives.

2.7 The Government published their white paper on Devolution in England in December 2024. Whilst Gloucestershire is not in the first tranche of two-tier areas subject to reorganisation, the wider devolution agenda will have a significant impact on the Council's decision making and finances over the next two to three years.

2.8 In terms of the macroeconomic environment, recent reductions in the level of inflation and interest rates may reduce some of the financial pressures across the sector. However, economic growth forecasts suggesting slower GDP growth over the near-term.



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2.9 The Council's Revenue Budget, Medium Term Financial Strategy and Capital Programme have been prepared with reference to CIPFA guidance on prudential property investment. As Section 151 Officer, I have also had regard to CIPFA's Financial Resilience Index and the CIPFA Financial Management Code (FM Code).

1.3. Section 7 of the 2025/26 Revenue Budget, Capital Programme and Medium-Term Financial Strategy report outlines the compliance requirements of the CIPFA FM Code. The Council should continue to assess its position on compliance with the Code and the Section 151 Officer will be reviewing this position utilising the FM Code's self-assessment tool with an Action Plan identifying actions required to address any areas of weakness.

3. ROBUSTNESS OF ESTIMATES

3.1 The budget setting process at Cotswold District Council has been operating effectively over many years and have been prepared by appropriately qualified and experienced staff in consultation with management.

3.2 Service areas are required to undertake a review of service revenue budgets and work with the Finance Team to produce detailed estimates for the forthcoming financial year. Proposed changes to service budgets are carefully reviewed, with consideration of savings and unavoidable budget pressures by senior management and Cabinet Members.

3.3 Budget Pressures have been reviewed, challenged, and validated and only included in the MTFs where there is a clear business need or a wider strategic requirement to invest in service delivery.

1.4. Contract costs for Ubico and Publica have been reviewed and challenged. The contract sum for Ubico takes into account the impact of Waste and Recycling round rezoning that commenced in June 2024. However, with increased costs of employment (Pay



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inflation and increased Employer National Insurance Contributions), the contract sum has increased by £0.125m (1.43%).

- 3.4** Following the transfer of services as part of Phase 1 of the Publica Review, the contract sum for 2025/26 is £7.079m – a reduction of £4.085m from the 2024/25 base contract sum. As with the Ubico contract, increased costs of employment (£0.336m) are included and highlight the need to ensure the costs for all Council services are subject to challenge, review, and transformation to demonstrate Value for Money.
- 3.5** The Revenue Budget, Capital Programme and MTFs have been subject to scrutiny through the Council's Overview and Scrutiny Committee. The Annual Capital Strategy and Annual Treasury Management Strategy and Non-Treasury Investment Strategy have been subject to review through the Council's Audit and Governance Committee
- 3.6** Financial management remains robust as demonstrated by the quarterly Financial Performance Reports that are considered by Cabinet and the Overview and Scrutiny Committee. The closing financial position for 2024/25 is due to be reported in June or July 2025 subject to completion of the outturn process.
- 1.5.** It is important that the council can balance the budget over the medium term in a sustainable and manageable way through a combination of income, sensible and prudent use of reserves and a robust cost reduction and savings programme.
- 3.7** During 2024/25, the Cabinet Transform Working Group (CTWG) met to support Cabinet with identifying and reviewing savings and transformation opportunities.
- 1.6.** The CTWG will need to further develop the approach to the Council's Savings AND Transformation Programme to address the budget gap identified over the MTFs period. This will need to include consideration of a service design framework for inclusion in the [Publica] Transition Plan to ensure service costs are contained within the financial envelope set out in the MTFs.



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- 1.7.** As set out earlier in the report, a Transformation Lead and Transformation Support role have been established funded from the Savings and Transformation earmarked reserve. This will provide the Council with additional capacity and support over the next two years to drive a transformation programme and identify and deliver ongoing revenue budget savings.
- 3.8** As can be seen from Section 7 of the report, the requirement to reduce costs and balance the budget in the later years of the MTFS are substantial.
- 3.9** The basis on which the budget for 2025/26 and the MTFS have been prepared has been set out clearly in this report. I am satisfied that the budgets for the General Fund and the Capital Programme have been based on sound and reasonable assumptions.
- 4. PUBLICA REVIEW**
- 4.1** Following reports from Human Engine (November 2023) and Local Partnerships (March 2024), Council approved the Detailed Transition Plan (“DTP”) report at its meeting on 31 July 2024. This set out the process that would be followed to return the majority of services to the Council with an initial transfer of services taking place on 01 November 2024.
- 4.2** The additional cost of transferring services from Publica to the Council has been included within the MTFS.
- 4.3** The gross increase in cost of Phase 1 is £0.984m in a full year, offset by cost reductions of £0.503m resulting in a net cost increase of £0.481m.
- 4.4** One-off costs of Phase 1 - £0.188m representing the Council’s share of redundancy and pension strain costs, and £0.275m of programme costs have been funded from earmarked reserves.



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- 4.5** The transition of further services from Publica to the Council as part of Phase 2 will clearly have a material impact on the Council's resources and budget over the MTFs-period. For the purposes of the 2025/26 revenue budget and the MTFs, it is assumed the cost of services will remain within the cost envelope set out over the medium-term.
- 4.6 It is essential that the Council takes every opportunity to make services as efficient and cost effective as possible and this will be an important element of the Transition Plan and approach to service design. Cost pressures must be minimised during the transition plan period to ensure service costs are contained within the financial envelope set out in the MTFs.**
- 4.7** To fund the one-off costs of transition, £0.500m has been set aside in the Corporate Priority: Publica Review reserve. It is anticipated that a balance of £0.225m will be available to support Phase 2.
- 4.8** Inevitably, there are likely to be workforce planning costs arising from the transfer of services. As the indicative timetable for services to transfer is not yet known, the scale and the timing of workforce planning costs and mitigation measures is difficult to estimate with any certainty. Therefore, it is appropriate to set out the approach the Council will take to financing these costs over the transition period.
- 4.9** To ensure adequate provision is made for the costs and mitigation options over the transition period, the Council must have adequate financial headroom in order to make key decisions on service design. Therefore, the recommended approach is to increase the availability of one-off revenue and capital resources through:
- Effective resource management – ongoing vacancy management with confirmed underspends allocated to the Workforce Planning reserve.
 - Application of capital receipts to qualifying expenditure (e.g., cost of service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation) in accordance with the Council's policy on the Flexible use of capital receipts.



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- 4.10** The MTFS has been prepared against the emerging position regarding the Publica Review. The broad assumptions for the purposes of the 2025/26 budget and over the medium term is that service costs will increase as a result of increased employer pension contributions and a reduced emphasis on sharing services. The MTFS has made a broad assumption on a limited number of services being transferred as part of Phase 2. There remains uncertainty over future service transition due to Devolution/Local Government Reorganisation.
- 4.11** As part of the preparation of the 2025/26 budget and MTFS, the nature and structure of services in scope was subject to ongoing change. However, based on the best available information, an increased costs of £0.300m has been included within the MTFS (with a part-year impact in 2025/26 of £0.225m).
- 4.12** Cabinet and Council will consider the Phase 2 Transition Plan and the financial implications in detail in March 2025.
- 4.13** It is important that members are kept apprised on the outcomes from the due diligence and the financial implications as they emerge during the transition period. Although there will be further reports to Cabinet and Council throughout the transition period, it is recommended that the quarterly financial performance reports to Cabinet include timely and relevant financial updates.

5. RISK

- 5.1** As indicated in Section 10 of the report, there are several financial risks that the Council will face over the medium-term. The 2025/26 Budget and the MTFS have been prepared with consideration of these risks, but as with any forecast, an inherent level of risk will remain.



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- 5.2** The first key risk is around the nature and scope of local government funding from the Government in 2026/27 and more substantially, the impact of Devolution and Local Government Reorganisation over the MTFS-period.
- 5.3** It is very difficult to estimate with certainty the impact on Cotswold. Fundamental changes to the way in which each Council's needs are assessed and funded will be consulted on and modelled prior to the 2026/27 Local Government Finance Settlement. Therefore, considerable risk and uncertainty remains in the estimates for 2026/27 and beyond.
- 5.4** However, the MTFS has for a number of years included a significant reduction in the level of retained business rates income from 2026/27. An estimate has been made around transitional arrangements, but these are not based on any indication or commitment from the Government but have been based on financial modelling provided by Pixel Financial Management including a view on damping (transitional arrangements upon implementation of the new distribution methodology to avoid significant step-changes, shocks or disruption to stable financial planning and service delivery).
- 5.5** The MTFS has assumed that funding in respect of Extended Producer Responsibility (EPR) continues, although at a much-reduced rate (£1.502m allocation for 2025/26 is assumed to reduce by 50% to £0.751m). Whilst the Department for Environment, Food and Rural Affairs (DEFRA) have indicated this is an ongoing revenue stream, there is no guarantee on the level of future funding or indeed how it will be considered in the Local Government Finance Reforms.
- 5.6** An assumption has also been made around the level of employer pension contributions from 2026/27 following the triennial review that will report in the Autumn on 2025. Based on an initial mid-review assessment by the pension fund actuary, the funding level is expected to be in the region of 140%. Following consultation with Gloucestershire County Council who administer the LGPS and the actuary, an immediate reduction in the current stabilisation parameter is considered



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prudent. An estimated reduction of £0.500m has been included in the MTFs as a result but remains a risk until formally confirmed in the Autumn.

5.7 The second key risk is around the continued impact on the Council from pressures within the wider economy including growth expectations, inflation, and interest rates. This will have an impact on income and expenditure budgets during 2025/26 and will require timely and accurate financial reporting to Cabinet. These risks include:

- Income from Council Tax and Business Rates will continue to be under pressure in 2025/26 with an expectation that the taxbase for Council Tax and Business Rates may take time to recover.
- Increased demand for certain services (e.g., Homelessness) may put additional financial pressure on the Council.
- Cost of services where the Council is exposed to risk sharing in contract costs.
- Energy cost pressures

5.8 A third key risk is around the impact from the Publica Review. As set out in the report, Phase 2 of the transition of services from Publica to the Council will increase the cost of services. Cabinet and Council will consider the Phase 2 Transition Plan and the financial implications in March 2025.

6. ADEQUACY OF THE RESERVES

6.1 A review of the Reserves and Balances strategy has been undertaken to consider the adequacy of reserves in light of the financial risks faced by the Council. The review has taken into account guidance published under CIPFA Bulletin 13: Local Authority Reserves and Balances (March 2023).

6.2 The review confirms the General Fund balance to be maintained at a minimum of £1.760m, with the Financial Resilience Reserve balance held at a level that would allow the Council to mitigate short-term fluctuations in income and expenditure (e.g., Business Rates, Government funding changes). Given the budget gap identified over



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the MTFS period, the Council must identify and deliver new savings to ensure this reserve is replenished.

6.3 However, these reserves should not be utilised to fund normal, on-going service provision. It is important to review the level of reserves regularly.

6.4 A review of the Council Priorities Fund revenue reserve was undertaken as part of the 2024/25 budget setting process with the recommendation that this is allocated into separate reserves linked to the priorities outlined in the Council's Corporate Plan as indicated below:

- Delivering Good Services
- Responding to the Climate Emergency
- Delivering Housing
- Supporting Communities
- Supporting the Economy

6.5 It is recommended for 2025/26 that the following reserves are maintained to support delivery of the Council Plan, the Publica Review outcomes, and the ongoing preparation of the Council's Local Plan:

- **Council Priority: Publica Review** reserve – the estimated unspent balance (estimated at £0.225m) to provide adequate funding for the Council's share of the costs arising during the Phase 2 of the Publica Transition.
- **Council Priority: Local Plan** reserve – a further £0.250m is allocated to ensure the next stages of the Local Plan preparation can be delivered following the update to the National Planning Policy Framework (NPPF) in December 2024. The Council has submitted an expression of interest to MHCLG for Delivery Funding of up to £0.250m. Should the Council be successful and receive an allocation, the level of reserve funding will be reviewed. It is anticipated that local authorities will be notified of outcome in February 2025.
- **Council Priority: Climate Emergency** reserve is maintained up to £0.250m
- **Council Priority: Housing Delivery** reserve is maintained at £0.500m



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- **Council Priority: Regeneration/Infrastructure** reserve is maintained at £0.200m with a commitment of up to £0.070m regarding feasibility studies agreed by Cabinet in December 2024. The reserve is held to provide funding for feasibility studies and due diligence around the emerging Cirencester Town Centre Masterplan including support for the Council's Car Park Strategy.
- **Council Priority: Transformation and Change** reserve is increased from £0.200m to £0.318m to provide funding for savings and transformation support, projects and invest to save initiatives.

6.6 New initiatives will require Members to review existing commitments against earmarked reserves and to reallocate funds accordingly.

6.7 The Council has utilised Capital Receipts to finance capital expenditure with the balance on the Capital Receipts Reserve forecast to be £5.5m at the end of 2024/25. As shown in the Capital Financing Statement in Section 9 of the report, the Council will utilise the remaining balance to support the Capital Programme over the MTFS period. Whilst a residual level of capital receipts are expected over the MTFS period as part of normal activity, without further capital receipts the Council will require prudential borrowing in future years to finance capital expenditure.

6.8 Whilst the level of balances and reserves shown in the report indicates that the Council is in currently a good financial position, the cumulative budget gap of £12m over the MTFS period would reduce the Financial Resilience Reserve to a nil balance during 2027/28 under a 'Do Nothing' scenario. The Council will need to ensure the continued delivery of robust, balanced, and proportionate savings to mitigate the budget gap over the MTFS period.

6.9 With a significant budget gap forecast from 2026/27 and increasing over the MTFS-period, it is crucial for the Council to close this gap through a comprehensive Savings and Transformation Programme. At this stage of the financial planning process, the budget gap is only mitigated through the utilisation of the Financial Resilience reserve and other risk-mitigation reserves such as the Business Rates risk reserve.



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- 6.10** The MTFS does not include any savings targets as an approach to mitigating the budget gap. Including savings targets would not provide a credible MTFS or projection on reserve balances. Targets would not be robust as there would be insufficient details, plans, or business cases to support the inclusion of savings targets.
- 6.11** Instead, the MTFS presents the unmitigated position, with reserve balances utilised to support the MTFS. This is not a strategy in itself and is not a sustainable position. Tables 9b and 9c within the report do illustrate the impact on reserve balances of a different approach – namely the re-prioritisation of reserve balances and the effect of £3m of budget savings across 2026/27 and 2027/28. This is to highlight the scale of the financial challenge and that even with a modest level of savings in 2026/27, this does not in itself fully close the budget gap.
- 6.12** As set out in the report, the Council will need to accelerate the Savings and Transformation programme during 2025/26. With additional resources included in the revenue budget (funded from earmarked reserves), a balanced and proportionate Savings and Transformation Programme must be considered ahead of the 2026/27 budget setting process. The approach must set out the process for identifying, reviewing and agreeing workstreams, clear delivery timescales, and how effective governance will be demonstrated.
- 6.13** The Local Government Association (LGA) has developed a Transformation Capability Framework. This sets out the essentials for successful (service) transformation and the resources the Council will need to deliver such a programme.
- 6.14** With the need to close the budget gap identified in the MTFS, a key aspect of the Savings and Transformation will need to be on robust business cases that outline the financial outcomes and certainty of delivery.



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- 6.15** Whilst this is a reasonable position for the forthcoming financial year, it is not a sustainable position. Without additional cost reduction measures, the Financial Resilience reserve will be depleted by 2027/28. It is not prudent, therefore, for the Council to maintain other reserve balances for other projects and priorities if financial sustainability cannot be maintained.
- 6.16** Balances held under each Council Priority will need to be reviewed should there not be adequate mitigation to the budget gap as outlined in the MTFS.
- 6.17** Paragraphs 7.31 to 7.33 and the associated tables outline scenarios considered when assessing the adequacy of reserves. This takes into account that the Council continues to hold reserves balances for specific projects which may need to be released should further savings not be identified and delivered in 2026/27 and 2027/28.
- 6.18** Therefore, I am satisfied that the level of reserves the Council holds for the forthcoming year is adequate to support the budget although members should consider the level of reserves utilised in 2025/26 and the need to ensure reserves remain adequate over the medium-term.
- 6.19** In conclusion, I am able to advise Members of the robustness of the estimates and the affordability and prudence of capital estimates for 2025/26. The level of reserves remains adequate to support the 2025/26 financial position and demonstrates financial resilience. However, this is only the case provided that action is taken to ensure that the balances are set at the level of £1.760m for 2025/26 and that all savings proposals, are monitored closely and delivered as planned.

David Stanley
Deputy Chief Executive and Section 151 Officer
13 February 2025



ANNEX B MEDIUM TERM FINANCIAL STRATEGY

Medium Term Financial Strategy	MTFS Period			
	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
Net Service Expenditure Budgets				
Environmental and Regulatory Services	695	695	695	695
Business Support Services - Finance, HR, Procurement	1,555	1,555	1,555	1,555
ICT, Change & Customer Services	2,502	2,502	2,502	2,502
Land, Legal & Property	1,122	1,122	1,122	1,122
Publica CEX	104	104	104	104
Revenues & Housing Support	843	843	843	843
Environmental Services	4,761	4,761	4,761	4,761
Leisure & Communities	2,359	2,359	2,359	2,359
Planning & Strategic Housing	1,682	1,682	1,682	1,682
Democratic Services	1,366	1,366	1,366	1,366
Retained Services	2,179	2,179	2,179	2,179
Reversal of Accounting Adjustments	(1,925)	(1,925)	(1,925)	(1,925)
Net Service Revenue Expenditure	17,241	17,241	17,241	17,241
Corporate Items/Non Service Income & Expenditure				
Bad Debt Provision	0	0	0	0
Non Service Income & Expenditure	160	160	160	160
Risk and Contract Contingency	200	200	200	200
Interest Payable	5	79	139	120
Interest Receivable	(1,302)	(700)	(500)	(500)
Minimum Revenue Provision	9	27	395	367
Net Transfer from Earmarked Reserves	(226)	(226)	(226)	(226)
Revenue Contribution to Capital Outlay (RCCO)	0	0	0	0
2024/25 Budget Adj - reversal of RCCO	0	0	0	0
Additional Transfer to Earmarked Reserve - TM Risk	0	0	0	0
Transfer to Business Rates Risk Reserve	(809)	(1,097)	0	0
Transfer to Workforce Planning Reserve	0	0	0	0
Transfer Second Homes Premium to Reserve	130	130	130	130
Transfer to Commercial Property Income Reserve	37	37	37	37
Transfer from Reserves - Posts	(149)	(199)	(50)	0
Transfer to Reserves pEPR	300	0	0	0
Strategic Housing	(130)	(130)	(130)	(130)
Reserve adjs Non-Estab [BAL100/B8240]	0	0	0	0
Adjusted Budget	(1,774)	(1,717)	156	158
Contract Inflation	0	485	974	1,482
Pay Inflation	0	144	293	421
Energy Cost Inflation	0	0	0	0
Adjusted MTFS Position	0	629	1,268	1,903
Service + Corporate Items	15,467	16,152	18,664	19,302



ANNEX B MEDIUM TERM FINANCIAL STRATEGY

Medium Term Financial Strategy	MTFS Period			
	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
Budget Pressures and Growth				
Contract Growth	0	0	0	0
Budget Pressures	597	763	564	464
Technical Adjustments	0	0	0	0
Risk Item - Leisure and Culture Procurement, Contracts	0	0	0	0
Subtotal	597	763	564	464
Savings and Transformation Plan				
Contract Savings	0	0	0	0
Fees and Charges	0	(456)	(667)	(882)
Corporate Savings	0	(500)	(500)	(500)
Expenditure Savings	(359)	(359)	(359)	(359)
Additional Income	0	(25)	(25)	(25)
Savings Targets	0	0	0	0
Subtotal	(359)	(1,340)	(1,551)	(1,766)
Net (Savings) or Growth	237	(577)	(987)	(1,302)
Draft Net Revenue Budget	15,704	15,575	17,677	18,000
Funded by:				
Council Tax	(7,065)	(7,361)	(7,661)	(7,967)
Business Rates Retention - Local share of retained rates	(5,117)	(2,304)	(2,435)	(2,571)
Rural Services Delivery Grant	0	0	0	0
Funding Guarantee (replaced Lower Tier Services Grant)	(2,230)	0	0	0
Services Grant	0	0	0	0
New Homes Bonus	(820)	0	0	0
Revenue Support Grant / (Negative RSG)	(164)	1,704	1,723	1,745
Extended Producer Responsibility (EPR) 2024/25 only	(1,502)	0	0	0
Extended Producer Responsibility (EPR) 2025/26 onwards	0	(751)	(751)	(751)
Employers National Insurance compensation	(133)	(133)	(133)	(133)
Damping (10% floor in funding reduction assumed)	0	(5,141)	(3,541)	(2,041)
Collection Fund - Council Tax (Surplus) / Deficit	(119)	0	0	0
Collection Fund - Business Rates (Surplus) / Deficit	809	0	0	0
TOTAL Funding	(16,342)	(13,986)	(12,797)	(11,718)
Budget Gap / (Surplus)	(638)	1,589	4,879	6,282



ANNEX B MEDIUM TERM FINANCIAL STRATEGY

Note on Savings and Budget Pressures – Annex B and Annex C

The amounts shown in Annex C reflect the change in pressures and savings for 2025/26 over the original budget for 2024/25.

For presentation purposes, the MTFS (Annex B) will show a different amount for certain savings reflecting the reconciled budget on the financial system. For example, the Savings for Streets Service is shown as £0.300m on the MTFS (Annex B) and £0.150m in Annex C.

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ANNEX C – BUDGET PRESSURES AND SAVINGS

Budget Pressures and Savings	MTFS Period			
	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
Budget Pressures				
External Audit Fees - 10% increase in scale fee and Housing Benefit audit costs	52	52	52	52
Cotswold National Landscape Contribution increase	13	13	13	13
Elections - review of budget provision in context of overspends in 2023/24 and 2024/25	54	54	54	54
Former Bourton VIC - removal of income budget	8	8	8	8
Counter Fraud - 2025/26 planned delivery increase	7	7	7	7
Planning & Strategic Housing - Licences and Subscriptions	36	36	36	36
Business Rates on Council-owned properties - increase in liability	20	20	20	20
CMICA Software Licence Renewal	31	31	31	31
Trinity Road, Moreton Area Centre - minor adjustments	(2)	(2)	(2)	(2)
Legal Service budget (SUP004) - Miscellaneous changes	(4)	(4)	(4)	(4)
Environmental & Regulatory Services - Building Control service improvements, Emergency Planning (LRF)	14	14	14	14
Employee Assistance Programme - Spectrum Life	5	5	5	5
Democratic Services - Licences for Modern.gov and Public i	13	13	13	13
Communications - Licences for Social Media and email client software	10	10	10	10
Waste & Recycling - Clinical Sharps budget adjustment	(15)	(15)	(15)	(15)
Car Parks - Utility costs, card processing fees	7	7	7	7
Public Conveniences - contract and utility costs	14	14	14	14
Corporate Costs - Insurance, Subscriptions	21	21	21	21
Bank Charges - volume increase	34	34	34	34
Subtotal	316	316	316	316
Income Pressures				
2025/26 Income Pressures - Car Parks (PCNs)	50	50	50	50
2025/26 Income Pressures - Car Parks (Permits/Season Tickets)	40	40	40	40
Income Pressures - Waste & Recycling (Material sales)	44	44	44	44
Subtotal	134	134	134	134
TOTAL Budget Pressures	450	450	450	450



ANNEX C – BUDGET PRESSURES AND SAVINGS

Budget Pressures and Savings	MTFS Period			
	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
Corporate Savings and Income				
LGPS - Secondary Rate (PIA) (Budget savings)	(196)	(196)	(196)	(196)
LGPS - Secondary Rate (PIA) (TV)	0	(500)	(500)	(500)
Trinity Road - rental income	(25)	(50)	(50)	(50)
Subtotal	(221)	(746)	(746)	(746)
Expenditure Savings				
Ubico - Rezoning of Rounds	(59)	(59)	(59)	(59)
Ubico - Street Service review	(150)	(150)	(150)	(150)
Business Rates - Car Parks (reduced liability)	(50)	(50)	(50)	(50)
Service Charges - Trinity Road tenants	(25)	(25)	(25)	(25)
Revenues and Benefits - additional grant funding	(41)	(41)	(41)	(41)
Other budget changes	(2)	(2)	(2)	(2)
Subtotal	(327)	(327)	(327)	(327)
Fees and Charges				
Car Parking Fees	(90)	(200)	(293)	(390)
Garden Waste - fee increase	(123)	(241)	(359)	(477)
Other Fees and Charges (as per Cabinet Report)	(53)	(53)	(53)	(53)
Statutory Planning Fees - Annual uplift	(15)	(15)	(15)	(15)
Subtotal	(281)	(508)	(720)	(934)
TOTAL Savings/Additional Income	(829)	(1,582)	(1,793)	(2,008)

Note on Savings and Budget Pressures – Annex B and Annex C

The amounts shown in Annex C reflect the change in pressures and savings for 2025/26 over the original budget for 2024/25.

For presentation purposes, the MTFS (Annex B) will show a different amount for certain savings reflecting the reconciled budget on the financial system. For example, the Savings for Streets Service is shown as £0.300m on the MTFS (Annex B) and £0.150m in Annex C.



ANNEX D
CAPITAL PROGRAMME 2025/2026 TO 2028/2029

	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Capital Programme						
Leisure and Communities						
Investment in Leisure Centres	1,119	0	500	0	0	1,619
CLC Pool Works	80	0	0	0	0	80
Government funded decarbonisation	0	0	0	0	0	0
Cotwold Leisure Centre Decarbonisation [Solar PV and Triple Glazing]	208	0	0	0	0	208
Spa Pool Bourton	34	0	0	0	0	34
Community Project Grant	50	0	0	0	0	50
	1,491	0	500	0	0	1,991
Housing, Planning and Strategic Housing						
Private Sector Housing Renewal Grant (DFG)	1,700	1,648	1,689	1,731	1,775	8,543
Affordable Housnig - Davies Road MiM (S106)	291	0	0	0	0	291
Cottsway Housing Association Loan	414	0	0	0	0	414
Bromford Joint Venture Partnership	0	70	150	500	0	720
	2,405	1,718	1,839	2,231	1,775	9,968



ANNEX D
CAPITAL PROGRAMME 2025/2026 TO 2028/2029

	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Capital Programme						
Environment						
Waste & Recycling receptacles	80	82	84	86	88	420
Provision for financing of Ubico Vehicles	1,169	771	5,171	1,740	117	8,968
In cab technology (Street Cleaning)	0	60	0	0	0	60
Fuel Bunkering (Ubico)	0	60	0	0	0	60
Electric Vehicle Charging Points	79	0	0	0	0	79
On Street Residential Chargepoint Scheme (ORCS)	225	0	0	0	0	225
Public Toilets - Card Payment (bc)	0	34	0	0	0	34
Replace/Upgrade Pay and Display	0	125	0	0	0	125
Changing Places Toilets	53	0	0	0	0	53
	1,606	1,132	5,255	1,826	205	10,024
Retained and Corporate:						
ICT, Change and Customer Services						
ICT Capital	150	150	150	150	150	750
Planning Documents and Scanning Solution	0	200	0	0	0	200
	150	350	150	150	150	950



ANNEX D
CAPITAL PROGRAMME 2025/2026 TO 2028/2029

	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Capital Programme						
UKSPF and Rural Prosperity						
UK Rural Prosperity Fund Projects	752	0	0	0	0	752
UK Shared Prosperity Fund Projects	134	327	0	0	0	461
	886	327	0	0	0	1,213
Land, Legal and Property						
Trinity Road Carbon Efficiency Works (Council March 2022)	370	0	0	0	0	370
Asset Management Strategy	147	500	0	0	0	647
	517	500	0	0	0	1,017
Transformation and Investment						
Trinity Road Agile Working (Council March 2022) [<i>Includes Trinity Road Roof Repairs</i>]	257	0	0	0	0	257
	257	0	0	0	0	257
TOTAL Capital Programme	7,312	4,027	7,744	4,208	2,130	25,420



ANNEX D
CAPITAL PROGRAMME 2025/2026 TO 2028/2029

	2024/25 Revised Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	TOTAL Budget (£'000)
Capital Financing						
Capital receipts	3,628	2,052	3,184	2,476	355	11,695
Capital Grants and Contributions	3,269	1,975	1,689	1,731	1,775	10,439
Community Municipal Investment	415	0	0	0	0	415
Prudential Borrowing	0	0	2,871	0	0	2,871
TOTAL	7,312	4,027	7,744	4,207	2,130	25,420



ANNEX E

ANNUAL CAPITAL STRATEGY 2025/2026

ANNUAL CAPITAL STRATEGY 2025/26

1. STRATEGIC CONTEXT AND PURPOSE

- 1.1** The Council's capital investment programme bring together many aspects of the Council's services and financial planning. This is driven by the Corporate Plan which sets out the Council's drivers in the development and prioritisation of the capital proposals as described below:
- Responding to climate change, including providing electric vehicle charging points, securing investments in renewable energy and support local community led and community owned renewable energy projects.
 - Economic regeneration developments including attracting investment in infrastructure to support better broadband and 5G coverage and using our investments and assets to boost the local economy.
 - Providing socially rented homes by delivery of social rented and affordable accommodation across the district.
 - Maximising opportunities for income generation within projects that support the key priorities of the Council.
- 1.2** The Council has historically been able to manage funding its capital programme through the use of capital receipts, but external borrowing will underpin the planned developments in future years. The Council expects to fund the majority of its capital programme going forward largely from prudential borrowing and use of capital receipts. This discussed in more detail within Section 3 of this report.

2. CAPITAL RESOURCES AND FINANCING

- 2.1** The capital programme is planned to be fully financed from a combination of existing resources, external grants and contributions, capital receipts, and an affordable level of borrowing. The Capital Strategy prioritises the use of external grants and funding where possible to support Council Plan priorities. Where included, capital receipts assumptions are based on a prudent level of expected capital receipts from asset sales, loan repayments and other sources.

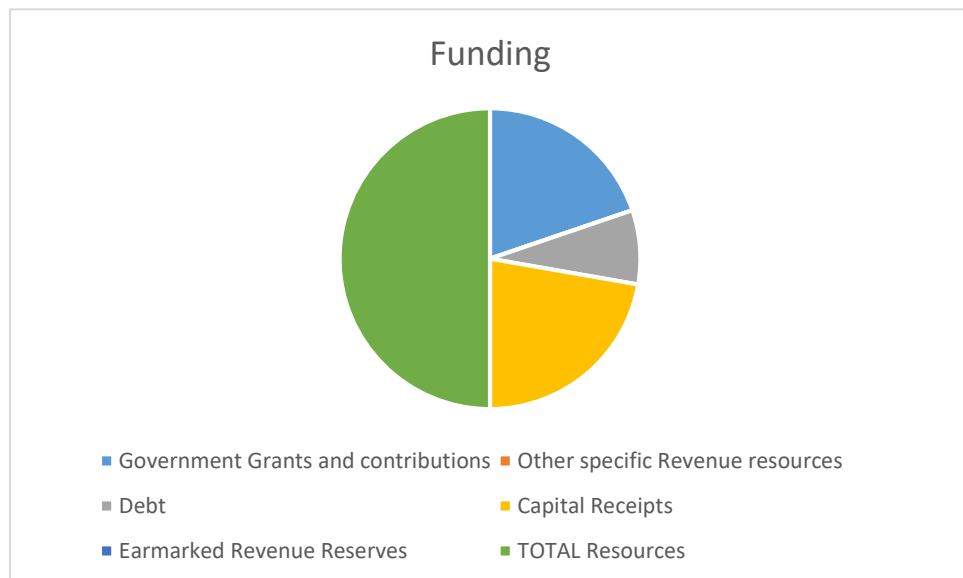


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ANNUAL CAPITAL STRATEGY 2025/2026

- 2.2** Resources of £18.2m have been identified to fund the four-year capital programme from 2025/26 to 2028/29, with £2.9m of this being through prudential borrowing. The Council will ensure that any borrowing will be undertaken in accordance with the Prudential Code for local authority capital finance and within the framework and policies set out in this capital strategy.
- 2.3** Revised or additional capital budgets funded from corporate resources may be approved by Cabinet or Council, in accordance with the Council’s Financial Rules. Additional prudential borrowing must be approved by full Council.
- 2.4** A breakdown of the resources utilised to fund the capital programme is shown in **Chart 1** and **Table 1** below:

Chart 1 – Resources to fund the Capital Programme 2025/26 to 2028/29





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ANNUAL CAPITAL STRATEGY 2025/2026

Table 1 – Capital Financing

	2023/24 Actual (£m)	2024/25 Forecast (£m)	2025/26 Budget (£m)	2026/27 Budget (£m)	2027/28 Budget (£m)	2028/29 Budget (£m)
Specific Resources						
Government Grants and contributions	1.8	3.3	2.0	1.7	1.7	1.8
Other specific Revenue resources	0.0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL Specific Resources	1.8	3.3	2.0	1.7	1.7	1.8
Corporate Resources						
Debt	0.1	0.4	0.0	2.9	0.0	0.0
Capital Receipts	4.1	3.6	2.1	3.2	2.5	0.3
Earmarked Revenue Reserves	0.0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL Corporate Resources	4.2	4.0	2.1	6.1	2.5	0.3
TOTAL Resources	6.0	7.3	4.1	7.8	4.2	2.1

3. CAPITAL EXPENDITURE

- 3.1** Capital expenditure is where the Council spends money on assets, such as land, property, or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are treated as operational expenditure and charged to the revenue budget. For details of the Council's policy on capitalisation, see the Council's accounting policy which are contained with the annual Statement of Accounts. [2023/24 Statement of Accounts](#)
- 3.2** Based on the above strategy to support the delivery of the Council Plan outcomes, the proposed Capital Programme totals £4.1m in 2025/26 and £18.1m over the four-year period to 2028/29 as summarised below in **Table 2**:



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ANNUAL CAPITAL STRATEGY 2025/2026

Table 2 – Estimates of Capital Expenditure

Spend by Council Priority Area	2023/24 Actual (£m)	2024/25 Forecast (£m)	2025/26 Budget (£m)	2026/27 Budget (£m)	2027/28 Budget (£m)	2028/29 Budget (£m)
Responding to Climate Emergency	0.1	0.9	0.0	0.0	0.0	0.0
Supporting Communities	0.1	1.3	0.0	0.5	0.0	0.0
Delivering Good Services	1.0	1.5	2.0	5.4	2.0	0.4
Delivering Housing	4.4	2.4	1.7	1.9	2.2	1.8
Supporting the Economy	0.1	0.9	0.3	0.0	0.0	0.0
SUBTOTAL Priority Areas	5.7	7.1	4.1	7.8	4.2	2.1
Capital investments	0.3	0.3	0.0	0.0	0.0	0.0
TOTAL	6.0	7.3	4.1	7.8	4.2	2.1

- 3.3** New projects and priorities are identified through the Council's financial planning process and are added to the capital programme. Further detail on planned expenditure in each of the Council Priority areas is included within Annex D of the Medium-Term Financial Strategy.
- 3.4** The Council manages capital risks through its business case appraisal and approval arrangements. The Council will need to consider the best approach for the review of capital business cases before recommendation for approval of expenditure by Cabinet or Council. Capital programme expenditure and treasury management performance is regularly monitored and reported to Members at the Audit and Governance Committee, Overview and Scrutiny Committee and Cabinet in accordance with the Constitution. Capital risks have also been considered by the Chief Finance Officer as part of the annual report on the adequacy of Council reserves.
- 4. CAPITAL FINANCING- EXTERNAL RESOURCES**
- 4.1** Where capital expenditure is funded from external resources such as grants and contributions the financing cost is nil.
- 4.2** The Council will continue to support the community through the allocation of Disabled Facilities Grant which is funded through a grant of approximately £1.6m per year.



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ANNUAL CAPITAL STRATEGY 2025/2026

5. CAPITAL FINANCING- INTERNAL RESOURCES

- 5.1 Financing from Capital Receipts:** Capital receipts from the disposal of assets represent a finite funding source and it is important that a planned and structured approach to disposals is taken to support the corporate priorities of the Council.
- 5.2 Asset management:** An updated asset management strategy was adopted by Cabinet in May 2024, supported by detailed Asset Management Plans for all land and property assets to ensure the Council is achieving the maximum benefit from its assets. Carter Jonas have been instructed to undertake this work. The strategy will help ensure that the Council's capital assets are maintained and developed and continue to contribute effectively to the delivery of the Council's services, support the local economy or provide income in line with expectations. Where there are opportunities to use assets more effectively to delivery Council Priorities, businesses cases are presented to the Cabinet or Council for approval.
- 5.3 Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts "flexibly" on service transformation projects up until and including 2029/30 (subject to guidance from Government). Repayments of capital grants, loans and investments also generate capital receipts.
- 5.4** All land and buildings which are surplus to existing use will be reviewed before any Council decision is made, to ensure the re-use or disposal of the asset provides best value in supporting the Council's objectives.
- 5.5 Table 3** shows forecast of Capital Receipts over the medium-term.



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Table 3: Capital Receipts Receivable

	2023/24 Actual (£m)	2024/25 Forecast (£m)	2025/26 Budget (£m)	2026/27 Budget (£m)	2027/28 Budget (£m)
Capital Receipts					
Asset sales*	0.2	0.6	0.0	0.0	0.0
Ubico Loans repaid for Vehicle purchase	0.9	0.8	0.9	0.8	0.8
Other Loans repaid	1.3	0.7	0.0	0.0	0.0
TOTAL	2.4	2.0	0.9	0.8	0.8

** Asset sale receipts includes receipts from "Right to Buy" asset disposals from Bromford Housing Association and the disposals outlined in paragraph 5.3.

- 5.6** The Council made a decision to dispose of the vacant Visitor Information Centre in Bourton on the Water and Old Station and Memorial Cottages in 2024/25, both sales are expected to complete in the 2024/25 financial year. At this stage, no other significant disposals are planned between 2024/25 and 2026/27 but in light of the Asset Management Strategy this will be an evolving position.
- 5.7** The Council's Audit and Governance Committee receives information on the Council's asset portfolio as part of its consideration of the financial statements.

Financing from Earmarked Reserves

- 5.8** There are no plans to fund the current Capital Programme from earmarked reserves.

Table 4: Capital Programme Funded by earmarked reserves

	2024/25 Forecast (£m)	2025/26 Forecast (£m)	2026/27 Budget (£m)	2027/28 Budget (£m)
Reserve Funding				
Service Improvements	0.0	0.0	0.0	0.0
Investment	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0

6. CAPITAL FINACING – DEBT AND TREASURY MANAGEMENT

- 6.1** Local authorities are required by law to set an overall limit on their debt outstanding, including loans and other long-term liabilities. This 'prudential limit' may not be exceeded, so the Council's proposed limit allows for risks, uncertainties, and potential changes during the year which may need to be accommodated within this overall



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limit. The outstanding borrowing for the Council after use of internal resources (such as capital receipts or revenue reserves) is outlined in **Table 1**.

- 6.2** The Council's debt liabilities and its investments arising from day-to-day cash flows need careful management in order to manage the costs and risks. This is the subject of the Council's Treasury Management Strategy and Policies.
- 6.3** The Council has a low to moderate appetite for taking financial risk and this is reflected in this Capital Strategy. Treasury Management risks are managed through the Treasury Management Strategy and Policy

Borrowing Strategy

- 6.4** The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility to adapt to changes in the future. These objectives are often conflicting, and the Council will therefore seek to strike a balance between lower-cost short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 6.5** Local Authorities must not borrow more than or in advance of their needs purely to profit from the investment of extra sums borrowed. The Council plans to borrow in 2026/27 to invest in new capital schemes. Any funds borrowed will be in relation to specific schemes and based upon the cash required for the chosen schemes. There are no plans to borrow in advance of need.
- 6.6** The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.
- 6.7** The cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt financed capital expenditure and reduces when debt is repaid through revenue or other capital receipts. Statutory guidance is that debt should remain below the CFR, except in the short term. The CFR for each financial year is set out in **Table 5** below and shows that the estimated borrowing complies with this.



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Table 5 – Capital Financing Requirement by General Fund services (Council Priorities) and Capital Investments

	2023/24	2024/25	2025/26	2026/27	2027/28
Capital Financing Requirement	Actual	Budget	Forecast	Forecast	Forecast
	(£m)	(£m)	(£m)	(£m)	(£m)
Investment in Council Priorities	0.1	0.5	0.5	3.0	2.6
Capital Investments	0.0	0.0	0.0	0.0	0.0
TOTAL CFR	0.1	0.5	0.5	3.0	2.6

Liability Benchmark

6.8 To compare the Council's estimated borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £13m at each year-end. The liability benchmark is currently -£11m and is forecast to rise to £2.5m over the next three years.

6.9 **Table 6** below shows that the Authority expects to remain borrowed above its liability benchmark until 2026/27. This is because a deliberate decision was made to borrow additional sums through a Community Municipal Investment to give local people a chance to invest in a cleaner, greener, healthier future for the Cotswolds.

Affordable Borrowing Limit

6.10 The Council is also legally obliged to set an affordable borrowing limit (also known as 'authorised limit for external debt'. In line with statutory guidance, a lower 'operational boundary' is also set as a warning level should debt approach the limit.

Table 6 – Forecast Debt and Prudential Indicators

	Actual as at	Forecast to	Forecast to	Forecast to	Forecast to
	31/03/2024	31/03/2025	31/03/2026	31/03/2027	31/03/2028
	(£m)	(£m)	(£m)	(£m)	(£m)
Forecast outstanding borrowing / Debt	(0.36)	(0.26)	(0.16)	(0.05)	(2.50)
Capital Financing Requirement	0.07	0.48	0.47	2.97	2.57
Liability benchmark	(11.20)	(11.25)	(9.39)	(1.32)	2.50
Authorised limit	10.00	10.00	10.00	10.00	10.00
Operational boundary	5.00	5.00	5.00	5.00	5.00



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6.11 The Council's full MRP statement is included as **Appendix 1-A** and is also mirrored in the Annual Treasury Management Strategy.

Revenue Budget Implications

6.12 Although capital expenditure is not charged directly to revenue, the interest payable on loans and provision for repayment of loans (MRP) will be. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue, which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. This charge is known as financing costs. The proportion of financing costs to net revenue stream, i.e., the amount funded from Council Tax, Business Rates and General Government Grants is shown in **Table 7**.

Table 7 – Financing costs as a proportion of revenue (£m)

	Actual as at 31/03/2024	Forecast to 31/03/2025	Forecast to 31/03/2026	Forecast to 31/03/2027	Forecast to 31/03/2028
Financing costs					
Financing costs (£m)	0.012	0.012	0.014	0.107	0.534
Proportion of net revenue stream	0.09%	0.07%	0.09%	0.76%	4.17%

6.13 The funding available from Government from 2026/27 onwards is very uncertain due to changes due to be implemented to local government funding. The proportion indicator should therefore be treated as highly indicative.

6.14 Further details on the revenue implications of capital expenditure are covered in section 5 of the 2025/26 Revenue Budget, Capital Programme and Medium-Term Financial Strategy report.

Sustainability

6.15 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 40 years into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable, and sustainable because the net budget



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ANNUAL CAPITAL STRATEGY 2025/2026

demand on the Council and the risks within the programme have been reviewed and are within the Council's risk appetite and tolerances.

7. TREASURY MANAGEMENT

- 7.1** Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 7.2** Due to decisions taken in the past, the Authority currently has £0.3m of borrowing at an average interest rate of 2.2% and £34.4m of treasury investments at an average rate of 4.74%
- 7.3** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 7.4** The Authority's policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which investments to buy, and the Authority may request its money back at short notice.
- 7.5** Further details on treasury investments are included in Section 4 of the Treasury Management Strategy [Annex F]



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- 7.6 Risk management:** The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks. The treasury management prudential indicators are included within **Table 4a** and Section 7 of the Treasury Management Strategy [Annex F]
- 7.7 Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury management activity are presented to the Audit and Governance Committee, Overview and Scrutiny and then Council. The Audit Committee is responsible for scrutinising treasury management decisions.



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8. INVESTMENTS FOR SERVICE PURPOSES

8.1 The Council makes investments to assist local public services, including making loans to local charities, housing associations, local residents and its employees to support local public services, stimulate local economic growth and support Council priorities of providing socially rented housing and promoting carbon neutral development and infrastructure. Total investments for service purposes are currently valued at £2.1m with the largest being a loan facility to a local housing association with a current balance of £1.9m.

8.2 Risk management: In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to break-even or generate a small profit after all costs. A limit of £3.6m is placed on total investments for service purposes to ensure that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.

8.3 Governance: Decisions on service investments are made by the relevant service manager in consultation with the Chief Finance Officer and must meet the criteria and limits laid down in the Investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme. The Chief Finance Officer is responsible for ensuring that adequate due diligence is carried out before investment is made. At this time, independent advice may be sought from organisations such as Arlingclose as Treasury Advisors.

8.4 Further details on service investments are in Sections 3 and 4 of the Annual Non-Treasury Investment Strategy: [Annex F]

9. COMMERCIAL ACTIVITIES

9.1 Commercial investments or activities are those the Council invests in purely for financial gain. With Government financial support for local public services declining, the Authority has previously invested in commercial property purely or mainly for



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financial gain. Total commercial property investments are currently valued at £4.875m, with the largest being £1.4m (Cirencester town centre property leased as retail units) at 31 March 2024 providing a net return after all costs of 7.18% (forecast 4.42% in 2024/25).

- 9.2** With financial return being the main objective, the Authority accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include: vacancy periods (voids) between tenants, cost of material repairs to property, risk of fire or flood damage. These risks are managed by: acquiring properties with long leases and with tenants with a strong covenant and insuring the property. In the longer term, the changing nature of the high street for retail occupants may require the Council to review its commercial property holdings. These risks are managed by the Council's Property Services Team. The Council also has a Corporate Risk Register which is reported quarterly to the Council's Audit and Governance Committee and includes any significant risks arising from commercial investments. In order that commercial investments remain proportionate to the size of the authority, and to ensure that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services, these are subject to an overall maximum investment limit of £10m.
- 9.3** Decisions of commercial investments are made by the Council in line with the criteria and limits approved by Council in the Investment Strategy. Property and most other commercial investments are also capital expenditure, and purchases will therefore also be approved as part of the Capital Programme. The Chief Finance Officer is responsible for ensuring that adequate due diligence is carried out before an investment is made.
- 9.4** Further details on commercial investments and limits on their use are included in Section 5 of the Investment Strategy.



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Table 9: Prudential indicator: Net income from commercial and service investments to net revenue stream

	2023/24	2024/25	2025/26	2026/27	2027/28
PI: Net Revenue Stream	Actual	Forecast	Forecast	Forecast	Forecast
	(£m)	(£m)	(£m)	(£m)	(£m)
Total net income from service and commercial investments (£m)	0.34	0.27	0.37	0.40	0.41
Proportion of net revenue stream	2.49%	1.70%	2.27%	2.88%	3.19%

10. OTHER LIABILITIES

10.1 In addition to debt of £0.3m detailed above, the Authority is committed to making future payments to cover its pension deficit (valued at £12m). It has also set aside £1m to cover risks of Business Rate valuation appeals.

11. GOVERNANCE

11.1 The CIPFA Prudential Code expects local authorities to consider and approve a number of 'prudential indicators'. These relate to the capital programme generally as well as borrowing and are set out in the sections above.

11.2 The Council will use borrowing in accordance with the CIPFA 'Prudential' system as a tool for delivering policy and managing its finances. Local authorities may borrow to finance capital expenditure, and the affordability of debt is the key constraint. Prudential borrowing is an important way to fund the Council's own priorities where external funding cannot be obtained. The Council sets and monitors prudential indicators to manage its debt exposures.

11.3 To ensure that borrowing remains at an affordable and sustainable level, the Council will seek over the medium term to manage its new prudential borrowing for normal service delivery at a level which is close to the amount which it sets aside from the revenue account each year for debt repayment (i.e., MRP).

11.4 The Council is mindful of Government and CIPFA advice that commercial investments including property must be proportionate to the resources of the authority. The



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Council is not planning any investments primarily for yield. All service and commercial investments will have regard to the guidance and lending terms issued by HM Treasury.

- 11.5** The arrangements for realising investments and managing liquidity risk will depend on the purpose and nature of the investment in each case. Where investments have been made to support service purposes and have been funded from cash resources, there is not a funding pressure to have an investment exit route in place. Where investments are funded by borrowing, the Council's MRP Policy sets out the arrangements to repay debt without resorting to a sale of the investments.
- 11.6** Financial and property investment decision making will follow the Council's Business Case governance requirements, with particular attention to expert due diligence, robust financial appraisal and taking external advice in consultation with the Chief Finance Officer. New investments must reflect the Council's core priorities and must be agreed by the Chief Finance Officer before presentation of any Council decision report.
- 11.7** Decisions on incurring new discretionary liabilities are taken by the Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by finance and reported quarterly to Cabinet.
- 11.8** Advisers will be used where necessary to ensure that the Council is provided with sufficient skills and understanding to support robust decision making. In particular, the Council's treasury management adviser (Arlingclose) can provide support in relation to financial investments.
- 11.9** Officer and Member training will be available through the Council's treasury advisers. Information relevant to investment decisions will form part of Council decision reports to members. Due diligence requirements for investments will ensure that officers are aware of the core principles of the prudential framework and local authority regulatory requirements. These arrangements will support the capacity, skills and culture of the Council in making and managing investments for service and commercial purposes.

12. MANAGEMENT OF THE CAPITAL PROGRAMME



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ANNUAL CAPITAL STRATEGY 2025/2026

- 12.1** In the above context of needs and resources, the Council has developed policies and high-level processes to ensure the effective management of capital. This will be overseen by the Council through strong governance and assurance processes for capital planning, capital appraisal and approval, project management, and capital monitoring and review.
- 12.2** Service managers contribute annually, in the autumn, to the Council's revenue budget and capital programme. The Finance Team collates proposed changes to the Capital Programme for consideration by the Cabinet as part of the Council's budget setting process. The financing cost (which can be nil for projects funded from Council resources or external grants) is included in the Medium-Term Financial Strategy and detailed budgets for the forthcoming financial year. The Council's Overview and Scrutiny Committee considers both the Medium-Term Financial Strategy and the detailed budget. The comments of the Overview and Scrutiny Committee are reported to Cabinet when the Medium-Term Financial Strategy and detailed budget proposals are considered. Cabinet recommends the final Capital Programme and revenue budgets to Council in February each year.
- 12.3** The Council will need to consider the best approach for the consideration of capital business cases for projects which support the priorities of the Council prior to recommendation for approval of expenditure by Cabinet or Council. For full details of the Council's proposed capital programme see the revenue and budget papers considered by Cabinet and Council in February 2025 [Annex D].
- 12.4** All use of capital resources, including capital receipts, will be prioritised across the Council as a whole in relation to the Council's key priorities.
- 12.5** The Council's MTFS sets out the financial challenges and risks which the Council is currently managing. The Council's risk appetite is moving from low to moderate and Members are prepared to consider investments with a moderate level of risk for which there is an appropriate level of financial return. A combination of the Chief Finance Officer, the Council's Legal Team and Strategic Finance team, Managers and Directors will support Council Member governance structures in ensuring that where risks are taken, they are fully understood and proactively managed.



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- 12.6** The staff responsible for making capital expenditure, borrowing and investment decisions are professionally qualified and experienced. Use is also made of external advisors and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisors and other specialist advisors to support on specific transactions as required. This approach is more cost effective than employing such staff directly and ensures that the Council has access to the relevant skills and knowledge when required.
- 12.7** In-year revised or additional capital budgets may be approved by Cabinet or Council. The Financial Rules set out the decision-making process for approving additional in-year capital budgets. The Council will decide upon changes to the prudential borrowing limits.



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ANNUAL MINIMUM REVENUE PROVISION STATEMENT

13. MRP STATEMENT 2025/26

- 13.1** Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024.
- 13.2** The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits.
- 13.3** The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods. This statement only incorporates options recommended in the Guidance.
- 13.4** MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.
- 13.5** For unsupported capital expenditure incurred after 31 March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure for all other assets or on capital expenditure not related to fixed assets but which has been capitalised by regulation or direction (revenue expenditure financed by capital under statute), will be charged over the useful economic life (UEL) of the asset up to a maximum of 50 years. MRP will be applied in the year following expenditure was incurred.



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- 13.6** For assets acquired by finance lease or private finance initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 13.7** Where former operating leases have been brought onto the balance sheet on 01 April 2024 due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.
- 13.8** For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during the year, with the capital receipts so arising applied to finance the expenditure instead.
- 13.9** For capital expenditure on loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year that they are received.
- 13.10** For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. When expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.
- 13.11** Where loans are made to other bodies and designated as capital expenditure, no MRP will be charged unless (a) the loan is for an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in year. However, the capital receipts generated by the repayments on those loans will be set aside to repay debt instead. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on



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the loan is no higher than the principal amount outstanding less the expected credit loss.

- 13.12** At the commencement of 2024/25 the Council had, a Capital Financing Requirement (CFR) of £0.071m in relation to capital expenditure incurred in 2022/23 and 2023/24 financed from borrowing via a Community Municipal Investment (CMI). Expenditure funded from Borrowing undertaken through the CMI in 2022/23 has resulted in an MRP charge to the Council's General Fund Revenue Account in 2023/24 and further charges will be made in 2024/25 and future years.
- 13.13** Capital expenditure incurred during 2025/26 which is financed from the CMI will not be subject to MRP charge until 2026/27.
- 13.14** Based on the Council's latest estimate of its capital financing requirement (CFR) on 31 March 2025, the MRP budget for 2025/26 has been set at (£0.09m).
- 13.15** **Overpayments:** The Authority can make voluntary overpayments of MRP that are available to reduce the revenue charges in later years. No overpayment is planned.

Capital receipts: Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follow:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Authority's MRP calculation will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.
- Any other capital receipts applied to repay debt will be used to reduce MRP in 10 equal instalments starting in the year after receipt is applied.



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ANNUAL TREASURY MANAGEMENT AND NON-TREASURY MANAGEMENT INVESTMENT STRATEGY 2025/26

ANNUAL TREASURY MANAGEMENT STRATEGY 2025/26

1. INTRODUCTION

- 1.1** This report sets out the Treasury Management Strategy and policy for 2025/26. It includes: the interest rate outlook, the Council's treasury management arrangements for the year and the overall framework and risk management controls which are used in carrying out the Council's borrowing, lending and other treasury activities.
- 1.2** The Council's treasury management objectives and activities are defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

"The management of the Council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

- 1.3** Effective treasury management will provide support towards the achievement of the Council's business and service objectives. The Council is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 1.4** This Treasury Strategy forms part of the overall Corporate Planning Framework which complies with the statutory requirement to have regard to the following Codes and Guidance:
- CIPFA's Code of Practice for Treasury Management in the Public Services (revised December 2017 and 2021 code)
 - CIPFA's Prudential Code for Local Council Capital Finance (revised December 2017 and 2021 code)
 - The Government Guidance on Local Council Investments



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- 1.5** It provides a mechanism by which treasury management decisions can be aligned with the overarching corporate priorities and objectives over the medium term.
- 1.6** The impact on the UK from the government's Autumn budget, slower expected interest rate cuts, a short-term boost to but modestly weaker economic growth over the medium term, together with the impact from President-elect Trump's second term in office and uncertainties around US domestic and foreign policy, will be major influences on the Council's treasury management strategy for 2025/26.
- 1.7** A detailed assessment of the current economic background and the forecast impact on credit and interest rates has been provided by the Council's Treasury Management advisors, Arlingclose. This is included as Appendices 1-A to this Strategy.

2. PURPOSE OF TREASURY MANAGEMENT

- 2.1** The 2025/26 Treasury Management Strategy has been developed with the following key aims:
 - To outline how the Council will manage and invest its money to ensure it will have the financial resources to support the key priorities outlined in its Corporate Strategy.
 - To set out key principles on which borrowing and investment decisions are made, including how security and risk are assessed.
 - To present the arrangements for managing and monitoring treasury management decisions, including assessment of outcomes and the alignment to the Corporate Strategy.

3. TREASURY MANAGEMENT STRATEGY

- 3.1** The Council's objectives in relation to debt and investment can be stated as follows:

"To assist the achievement of the Council's service objectives by obtaining funding and managing the Council's debt and treasury investments at a net cost which is as low as



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possible, consistent with a high degree of interest cost stability and a very low risk to sums invested."

- 3.2** The successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of the Council's treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 3.3** The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable, comprehensive performance measurement techniques within the context of effective risk management.
- 3.4** Therefore, for the Council, the achievement of high returns from treasury activities is of secondary importance compared with the need to limit the exposure of public funds to the risk of loss.
- 3.5** It is not possible to avoid all treasury risks, and a balance has to be struck. The main treasury risks which the Council is exposed to include:
- Interest rate risk - the risk that future borrowing costs rise
 - Credit risk - the risk of default in a Council investment
 - Liquidity and refinancing risks - the risk that the Council cannot obtain funds when needed.
- 3.6** The Council's first Community Municipal Investment (CMI), named 'Cotswold Climate Investment' (CCI) which targeted a £0.500m fundraise closed on the 16 August 2022, fully funded by over 450 investors. As of 1 January 2025 the Council therefore holds a £0.313m loan administered through Abundance Investments Limited for the purpose



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of Community Municipal Investments at a rate of 2.2% (including management fees). The Cotswold Climate Investment has supported a range of projects, including installing publicly available off-street electric vehicle charging points (EVCPs) around the district to encourage electric vehicle take-up, and improving the energy and carbon performance of the Council's Cirencester offices.

- 3.7** If the Council undertakes further borrowing it will be important for the Council to manage its interest rate exposure due to the risk that changes in the level of interest rates leads to an unexpected burden on the Council's finances. The stability of the Council's interest costs will be affected by the level of borrowing exposed to short term or variable interest rates. Short term interest rates are typically lower, so there can be a trade-off between achieving the lowest rates in the short term and in the long term, and between short term savings and long-term budget stability.
- 3.8** As a result, the approach to risk must be implemented flexibly in the light of changing market circumstances.

4. WHY AND HOW WE INVEST OUR MONEY

- 4.1** The revised CIPFA Prudential and Treasury Codes recommend that councils' capital strategies should include a policy and risk management framework for all investments. The Codes identify three types of local Council investment:
- Treasury management investments, which are taken to manage cash flows and as part of the Council's debt and financing activity.
 - Commercial investments (including investment properties), which are taken mainly to earn a positive net financial return.
 - Service investments, which are taken mainly to support service outcomes.
- 4.2** The Council's Non-Treasury Investment Strategy outlines the principles and arrangements in place for the second two categories of investment. The Treasury Management Strategy focuses on the first category. The following paragraphs set out the Council's policy for these 'treasury management' investments.



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- 4.3** The Council holds significant 'treasury management' funds representing income received in advance of expenditure and reserves held. In the past 12 months, the Council's investment balance has ranged from £22m to £46m due to timing differences between income and expenditure. The average forecast investment balance for 2025/26 is estimated to be around £24.5m.
- 4.4** On the 31st January 2025, the Council held £34.4m of treasury investments which are outlined in Table 1.

Table 1 – Treasury investments as of 31 January 2025

	31st January Actual Portfolio £m	31st January Average Rate £%
Treasury Investments		
Money Market Funds/Call Accounts and other pooled funds	9.0	4.99
Banks	1.3	4.96
Short Term Investments – Bank of England DMADF	12.5	4.95
CCLA Property Investment Management	2.2	4.46
CCLA Diversified Income	1.0	3.38
Schroders Unit Trusts Ltd	0.9	6.64
M&G Securities Ltd	1.9	5.62
Ninety One (formerly Investec)	1.8	4.41
Columbia Threadneedle Fund	1.9	3.76
Federated Cash Plus Fund	1.2	N/A
Fundamentum Housing REIT	0.7	3.00
Total treasury investments	34.4	4.74

- 4.5** Forecast investments over the next three financial years are shown in Table 2.



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Table 2 Forecast investments over the next three financial years

	31.3.24 Actual £m	31.3.25 Estimate £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Short term holdings					
Call Accounts	3.099	0.000	0.000	0.000	0.000
MMFs	9.039	8.000	5.995	2.000	1.000
Short Term Deposits	1.141	2.500	3.000	0.000	1.000
Current Account	0.544	0.500	0.100	0.100	0.100
Total Short term	13.823	11.000	9.095	2.100	2.100
Longer term holdings					
Pooled Funds	10.500	10.500	10.500	10.500	7.000
REIT	1.000	1.000	1.000	1.000	1.000
Cash + Fund	1.000	1.100	1.100	1.100	1.100
Total Longer term	12.500	12.600	12.600	12.600	9.100
TOTAL INVESTMENTS	26.323	23.600	21.695	14.700	11.200

4.6 The Council's policy on treasury investments, in line with the CIPFA code, is to prioritise security and liquidity over yield. This focuses on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely to minimise risk of loss. Money held for the longer term is invested more widely, including bonds, shares and property to balance the risk of loss against the risk of receiving returns below inflation. Both short term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which investments to buy. The Council is also able to request the return of its funding at short notice with these pooled funds. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing inflation rate, in order to maintain the spending power of the sum invested.



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- 4.7** Following a sustained period of high interest rates, central banks began to reverse course toward the second half of the 2024/25 financial year. The Bank of England (BoE) lowered the base rate to 4.5% in February 2025, following a previous reduction to 4.75% in November 2024 and 5% in August 2024. The Bank is signalling that future cuts will likely to be gradual and cautious to manage inflation concerns.
- 4.8** Under Financial Reporting Standards (IFRS 9), the accounting for certain investments depends on the Council's business model for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 4.9** The Council will continue to make deposits only with institutions having high credit quality as set out in the Approved Investment Counterparties and Limits, Table 3 below. These limits have been set by the Council in consultation with Arlingclose, the Council's Treasury advisors. Further explanation of each of the categories in Table 3 are included as Appendix 1-B.



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Table 3 – Approved Investment Counterparties and Limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government	25 years	£3m	Unlimited
Secured investments *	25 years	£3m	Unlimited
Banks (unsecured) *	13 months	£3m	Unlimited
Building societies (unsecured) *	13 months	£2m	£10m
Registered providers (unsecured) *	5 years	£5m	£10m
Money market funds *	n/a	£3m	Unlimited
Strategic pooled funds	n/a	£4m	£20m
Real estate investment trusts	n/a	£3m	£20m
Other investments *	5 years	£1m-£3m	£10m

**Investments in these sectors will only be made with entities whose lowest published long-term credit rating is no lower than A-*

4.10 Treasury investments will only be made with entities whose lowest published long term credit rating is no lower than an A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely on credit ratings, and all other relevant factors including external advice will be taken into account.

4.11 Money may be lent to the Council's own banker (Lloyds Banking Group), in accordance with the above lending limits. However, if Lloyds Bank does not meet the above criteria, money may only be lent overnight (or over the weekend), and these balances will be minimised.

4.12 Credit rating methodologies and credit limit requirements may change as the circumstances demand: in this event the Deputy Chief Executive Officer may determine



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revised and practicable criteria seeking similarly high credit quality, pending the next annual review of this treasury management policy.

- 4.13** Temporarily surplus cash will be invested having regard to the period of time for which the cash is expected to be surplus. The CIPFA Prudential Code envisages that authorities will not borrow more than three years in advance, so it is unlikely that the Council will plan to have surplus cash for longer than three years. However, where surplus cash for over 12 months is envisaged, it may be appropriate to include some longer term (non-specified) investments within a balanced risk portfolio.
- 4.14** In making investments in accordance with the criteria set out in this section, the Deputy Chief Executive Officer will seek to spread risk (for example, across different types of investment and to avoid concentration on lower credit quality). This may result in lower interest earnings, as safer investments will usually earn less than riskier ones.
- 4.15** The Council does not currently use investment managers (other than through the use of pooled investment vehicles such as Money Market Funds). However, if investment managers are appointed, their lending of Council funds would not be subject to the above restrictions, provided that their arrangements for assessing credit quality and exposure limits have been agreed by the Deputy Chief Executive Officer.
- 4.16** The Council seeks to be a responsible investor. Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore this policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.



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5. HOW WE BORROW MONEY

- 5.1** As outlined in paragraph 3.6 at 1st January 2024, the Council holds a £0.313m loan administered through Abundance Investments Limited for the purpose of Community Municipal Investments. There are plans to borrow in the future to fund the Capital Programme. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The net borrowing can be reduced from this total through the use of reserves and working capital.
- 5.2** CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the following three years. Table 4 shows that the Council expects to comply with this recommendation during 2025/26
- 5.3** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing, see Table 4a. This assumes that cash and investment balances are kept to a minimum level of £13m at year end to maintain sufficient liquidity but minimise credit risk.
- 5.4** The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.
- 5.5** The total forecast net borrowing against the CFR and liability benchmark is set out in the Table 4 and Table 4a below for the period of the Medium-Term Financial Strategy.



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Table 4 – Forecast Borrowing Requirement £m

	Actual 31/03/2024 (£m)	Forecast 31/03/2025 (£m)	Forecast 31/03/2026 (£m)	Forecast 31/03/2027 (£m)	Forecast 31/03/2028 (£m)
CFR	0.07	0.48	0.47	2.97	2.57
Less Outstanding Borrowing	-0.36	-0.26	-0.16	-0.05	-2.73
Internal Borrowing	-0.29	0.22	0.31	2.91	-0.16
Usable reserves	-22.15	-22.24	-20.30	-14.64	-8.35
Working capital	-2.12	-2.50	-2.50	-2.50	-2.50
Investments	-24.56	-24.52	-22.49	-14.23	-11.00

Table 4a – Prudential Indicator: Liability Benchmark £m.

	31.3.24 Actual	31.3.25 Estimate	31.3.26 Forecast	31.3.27 Forecast	31.3.28 Forecast
CFR	0.07	0.48	0.47	2.97	2.57
Less Balance Sheet Resources	-24.27	-24.74	-22.80	-17.14	-10.85
Net Loans Requirement	-24.20	-24.25	-22.33	-14.17	-8.27
Plus Liquidity Allowance	13.00	13.00	13.00	13.00	11.00
Liability Benchmark	-11.20	-11.25	-9.33	-1.17	2.73

5.6 This benchmark is currently £-11 million, reflecting the fact that there is no requirement to undertake external borrowing and its cash balances are invested through application of the Treasury Management Strategy. Over the next two years, the liability benchmark moves to £2.73 million reflecting a use of capital receipts to partially fund the Capital Programme and need to externally borrow as represented in table 4.

Borrowing Strategy

5.7 This strategy sets out how the Council plans to obtain the required new borrowing shown above, by a combination of short term and long-term borrowing.

5.8 The borrowing will be required to fund significant investments into the Council’s key priorities as outlined in the Corporate Strategy, the key priorities are outlined below:



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- Delivering Good Services
- Responding to the Climate Emergency.
- Delivering Housing
- Supporting Communities
- Supporting the Economy

5.9 The Council's main objective when borrowing money is to strike a balance between securing low interest rates and certainty of costs over the period for which funds are required.

5.10 Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently higher than in the recent past but are expected to fall in the coming year and it is therefore likely to be more cost effective over the medium-term to either use internal resources or to borrow short term loans instead. The risks of this approach will be managed by keeping the Authority's interest rate exposure within the time limits set in the treasury management prudential indicators, see below.

5.11 By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of doing this will be monitored regularly against the potential for incurring additional costs by deferring borrowing into the future when long-term borrowing rates are forecast to rise modestly, even if this causes additional cost in the short term.

5.12 The Council may also borrow short term loans to cover unplanned cash flow shortages.



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Sources of Borrowing

- 5.13** The main source of long-term borrowing for local authorities historically has been the **Public Works Loans Board (PWLB)**. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council has not undertaken any PWLB borrowing to fund commercial investments for yield and does not plan to do this in the future in order to retain access to PWLB loans. All capital investments are linked to service developments. The PWLB rate offers a cheaper and quicker route to borrowing than alternative sources of borrowing. The Council would thus aim to use the PWLB for its long-term borrowing needs. In addition, it is uncertain how private sector lenders would view the risk profile for councils that were no longer eligible for PWLB loans.
- 5.14** The **UK Municipal Bonds Agency Plc** was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital market and lends proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons; borrowing authorities are required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet and Full Council.
- 5.15 LOBOs:** The Council currently does not hold any LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.
- 5.16 Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators.



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5.17 Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5.18 Local Climate Bonds /Community Municipal Investments are a form of debt/loan-based crowdfunding. Community Bonds are issued by a council corporate body, with residents and general public investors providing capital on the basis of receiving a financial return. The majority of community bonds are typically linked in some form to environmental or social criteria and provide tangible benefit to the local community beyond just financial. Details of the Council's Community Municipal Investment are outlined in paragraph 3.6.

5.19 The Council will continue to monitor market developments and will seek to use and develop other funding solutions if better value may be delivered. This may include other sources of long-term borrowing if the terms are suitable, including listed and private placements, bilateral loans from banks, local authorities or others and sale and leaseback arrangements.

5.20 The Treasury Management Prudential Limits and Indicators consistent with the above strategy are set out in Section 7.

5.21 The Treasury Management Strategy must be flexible to adapt to changing risks and circumstances. The strategy will be kept under review by the Deputy Chief Executive Officer in accordance with treasury management delegations.

6. MONITORING TREASURY MANAGEMENT INVESTMENTS

6.1 The CIPFA guidance for Treasury Management in the Public Services (2021 edition), requires the Council to approve a treasury management strategy before the start of



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each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA code.

- 6.2** The guidance also requires the Council to produce reports on its treasury and investment management policies, practices, and activities, as a minimum with quarterly and mid-term review and an annual report after year end closure.
- 6.3** The Council delegates responsibility for the implementation and regular monitoring of its treasury management practices to Cabinet and for the execution and administration of treasury management decisions to the Deputy Chief Executive Officer, who will act in accordance with this strategy. The Audit and Governance Committee will be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 6.4** Credit ratings are monitored on a real-time basis as provided via Arlingclose, and the Council's lending list is updated accordingly, when a rating changes. Other information is taken into account when deciding whether to lend. This may include the ratings of other rating agencies; commentary in the financial press; analysis of country, sector and group exposures; and the portfolio make up of Money Market Funds. The use of particular permitted counterparties may be restricted if this is considered appropriate.
- 6.5** Where deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt management Office or invested in government treasury bills or other local authorities, as decided by the Deputy Chief Executive Officer.



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- 6.6** In order to monitor this, the Council has set cash limits on the credit quality of the investments and their limits as can be seen in Table 3, section 4.10 above.
- 6.7** The Council's revenue reserves available to cover investment losses are forecast to be £4.6m on 31 March 2025. In order to ensure that no more than a maximum of available reserves of 25% are therefore put at risk in the case of single default (other than the UK Government), the total lending limit will be £3m. A group of banks under the same ownership will be treated as a single organisation. Limits are also placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as in Table 5 below. Investments in pooled funds and multilateral development banks do not count against the limit for a single foreign currency, as the risk is spread over many countries.

Table 5 – Cash Limit by Organisation

Table 5 – Cash Limits	Cash limit
Any single organisation, except the UK Central Government	£3m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£3m per group
Any group of pooled funds under the same management	£4m per fund manager
Foreign countries	£3m per country
Registered providers	£3m in total
Real estate investment trusts	£3m per REIT
Unsecured investments with building societies	£2m in total per BS
Money Market Funds	£20m in total

- 6.8** The Council uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long term investments are set by reference to the Council's MTFS and cash flow forecast.
- 6.9** The Treasury Management team has suitably qualified and trained staff to actively manage treasury risks within this Policy framework. Officers regularly attend training



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courses, seminars and conferences provided by Arlingclose and CIPFA. However, staff resources are limited, and this may constrain the Council's ability to respond to market opportunities or take advantage of more highly structured financing arrangements. External advice and support may also be required. The following activities may for example require external advice and support based on an assessment at the time, to the extent that skills and resources are available:

- the refinancing of existing debt
- forward-starting loans
- leasing and hire purchase
- use of innovative or more complex sources of funding such as green bond issues, private placements and sale and leaseback structures
- investing surplus cash in institutions or funds with a high level of creditworthiness, rather than placing all deposits with the Government

6.10 The Council appointed Arlingclose Limited to provide treasury management advice to the Council, including the provision of credit rating and other investment information. Advisors are a useful support in view of the size of the Council's transactions and the pressures on staff time. The contract with Arlingclose was renewed at 1st March 2023 and is due to end in February 2026.

6.11 Government investment guidance expects local authorities to have a policy for borrowing in advance of need, in part because of the credit risk of investing the surplus cash. The Council's policy is to borrow to meet its forecast Net Loan Debt, including an allowance (currently of £13m) for liquidity risks. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the forecast capital programme or to meet other expected cash flows.

7. TREASURY MANAGEMENT PRUDENTIAL INDICATORS



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7.1 The Council is required under the Local Government Act 2003 and the CIPFA Treasury Management Code to set Prudential Indicators for treasury management to measure and manage its exposure to treasury management risk using the following indicators:

7.2 Security – The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value weighted average of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA=2 etc) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit	A-

7.3 Interest Rate exposures – This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on the one-year impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Target
Upper limit on one year revenue impact of a 1% <u>rise</u> in interest rates	-£0.18m
Upper limit on one year revenue impact of a 1% <u>fall</u> in interest rates	£0.18m

7.4 Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

7.5 Maturity structure of borrowing: This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:



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Refinancing rate risk indicator	Upper limit	Lower Limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and within 30 years	100%	0%
30 years and above	100%	0%

7.6 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

7.7 Long term treasury management investments – The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities for longer than a year will be:

Price Risk Indicator	2025/26	2026/27	2027/28
Limit on principal invested for longer than a year	£13m	£13m	£13m
Amounts invested in longer term investments with no fixed maturity date	£13m	£13m	£13m

8. TREASURY MANAGEMENT REVENUE BUDGET

8.1 The budget for investment income in 2025/26 is £1.138m, based on an average investment portfolio of £24.5m at an interest rate of 4.64%.

8.2 The Council aims to maintain its portfolio of long term investments in strategic funds at £12.5m. This is forecast to return £0.512m.

8.3 Investments in liquid assets such as bank deposits and money market funds are expected to return 4.29% and generate a yield of £0.552m.



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8.4 This estimate reflects a prudent view of investment income. Actual interest income will be affected not only by future interest rates, but also by the Council's cash flows and the level of its revenue reserves and provisions.

9. OTHER

9.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

9.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

9.3 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

9.4 MiFFID 2 is a legislative framework instituted by the European Union to regulate the financial markets and improve protections for investors. This Council has elected for Professional Client Status which means that to be able to invest in certain investments, it must hold a minimum of £10m in investments. If this falls below the minimum level,



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then access to certain financial market instruments could be made unavailable to this Council.



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Arlingclose Economic and Interest Rate Forecast (December 2024)

Underlying assumptions:

- As expected, the Monetary Policy Committee (MPC) held Bank Rate at 4.75% in December, although, with a 6-3 voting split and obvious concerns about economic growth, presented a much more dovish stance than had been expected given recent inflationary data.
- The Budget measures remain a concern for policymakers, for both growth and inflation. Additional government spending will boost demand in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects will promote caution amongst policymakers.
- UK GDP recovered well in H1 2024 from technical recession, but underlying growth has petered out as the year has progressed. While government spending should boost GDP growth in 2025, private sector activity appears to be waning, partly due to Budget measures.
- Private sector wage growth and services inflation remain elevated; wage growth picked up sharply in October. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging impacts on private sector employment demand and costs, but the near-term impact will likely be inflationary as these additional costs get passed to consumers.
- CPI inflation rates have risen due to higher energy prices and less favourable base effects. The current CPI rate of 2.6% could rise further in Q1 2025. The Bank of England (BoE) estimates the CPI rate at 2.7% by year end 2025 and to remain over target in 2026.
- The MPC re-emphasised that monetary policy will be eased gradually. Despite recent inflation-related data moving upwards or surprising to the upside, the minutes suggested a significant minority of policymakers are at least as worried about the flatlining UK economy.



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- US government bond yields have risen following strong US data and uncertainty about the effects of Donald Trump's policies on the US economy, particularly in terms of inflation and monetary policy. The Federal Reserve pared back its expectations for rate cuts in light of these issues. Higher US yields are also pushing up UK gilt yields, a relationship that will be maintained unless monetary policy in the UK and US diverges.

Forecast:

- In line with our forecast, Bank Rate was held at 4.75% in December.
- The MPC will reduce Bank Rate in a gradual manner. We see a rate cut in February 2025, followed by a cut alongside every Monetary Policy Report publication, to a low of 3.75%.
- Long-term gilt yields have risen to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility will remain elevated as the market digests incoming data for clues around the impact of policy changes.
- This uncertainty may also necessitate more frequent changes to our forecast than has been the case recently.
- The risks around the forecasts lie to the upside over the next 12 months but are broadly balanced in the medium term.



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	Current	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.90	4.60	4.35	4.10	3.90	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.34	4.30	4.20	4.10	4.00	3.90	3.90	3.95	4.00	4.05	4.05	4.05	4.05
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.56	4.55	4.45	4.30	4.20	4.20	4.20	4.20	4.25	4.25	4.25	4.25	4.25
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	5.05	5.00	4.90	4.80	4.70	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.52	4.70	4.60	4.50	4.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80

- PWLB Standard Rate = Gilt yield + 1.00%
- PWLB Certainty Rate = Gilt yield + 0.80%
- PWLB HRA Rate = Gilt yield + 0.40%
- National Wealth Fund (NWF) Rate = Gilt yield + 0.40%



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Criteria Definitions

UK Government: Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to Government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Local authorities and other government entities: Loans to, and bonds and bills issued or guaranteed by other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail in, and there is generally a lower risk of insolvency, although they are not zero risk.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing



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(in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but can be either withdrawn after a notice period or sold on an exchange, are available for withdrawal after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Operational bank accounts: The Council banks with Lloyds (Lloyds Banking Group). On adoption of this strategy, it will meet the minimum credit criteria of A- (or equivalent) long term. It is the Council's intention that even is the credit rating of Lloyds



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Bank falls below the minimum criteria A- the bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

Policy Investments: The Council will provide cash flow for third party organisations linked to the Council. The following limit is set for 2025/26

- Publica Group - £0.5m up to one year duration
- Ubico - £0.5m up to one year duration



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NON-TREASURY MANAGEMENT INVESTMENT STRATEGY
2025/2026

10. INTRODUCTION

10.1 The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),
- to support local public services by lending to or buying shares in other organisations (service investments), and
- to earn investment income (known as commercial investments where this is the main purpose).

10.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

10.3 The statutory guidance defines investments as “of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios”. The Authority interprets this to exclude (a) trade receivables that meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services.

11. TREASURY MANAGEMENT INVESTMENTS

11.1 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and as a Council Tax ‘billing authority’ it collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in



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accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £21.7m and £43.9m during the 2025/26 financial year.

- 11.2 Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
- 11.3 Further details:** Full details of the Authority's policies and its plan for 2025/26 for Treasury Management investments are covered in the Treasury Management Strategy.

12. SERVICE INVESTMENTS: LOANS

- 12.1 Contribution:** The Council lends money to local charities, housing associations, local residents and its employees to support local public services, stimulate local economic growth and support Council priorities of providing socially rented housing and promoting carbon neutral development and infrastructure. Loans to residents will be in line with Council approved policies such as its Starter Homes Initiative. During 2023/24 and 2024/25 the Council has provided a loan facility of up to £3.753m short term and has committed to provide a secured loan of £1.897m (over 50 years) to a local Housing Association which supports the Council priorities of providing socially rented housing and promoting carbon neutral development and infrastructure.
- 12.2 Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. To limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:



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Table 1: Loans for service purposes in £

Category of borrower	31.3.2024 actual			2024/25
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Local charities	325,603	0	325,603	450,000
Housing associations	1,727,887	0	1,727,887	2,000,000
Loans to Ubico (£500,000) or Publica (£500,000)	0	0	0	1,000,000
Local residents (equity loans)	63,936	0	63,936	130,000
Employees (car loans)	0	0	0	10,000
TOTAL	2,117,425	0	2,117,425	3,590,000

12.3 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The loans the Council has made are limited to specific service areas and the likelihood of non-payment is considered minimal. There is no history of non-payment and no evidence to suggest that there will be any default against loans granted. As a result, no allowance for loss has been included against the loan balances. Should any indication be given that there is a risk of default, then the risk will be assessed and a provision established at that time. Should a loan default, the Authority will make every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.



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12.4 In addition to the loans granted, the Council has included provision in its Treasury Management Strategy to loan up to £0.500m to both Ubico and Publica Group (Support) Limited, should either company require support. The Council is a shareholder in Ubico and a shared owner in Publica. In both cases, the loan facility is to enable the Council to provide a loan for short-term cash flow purposes. No loans are currently in place.

12.5 Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding service loans by undertaking credit checks and ensuring the appropriate legal documentation is in place to secure the Council's money.

13. SERVICE INVESTMENTS: SHARES

13.1 Contribution: The Council has a £1 shareholding in Ubico Ltd. Ubico Ltd is an environmental services company which provides household and commercial refuse collection, recycling, street cleansing, grounds maintenance and fleet maintenance services to the Council. Ubico is wholly owned by eight local authorities and operates as a not-for-profit enterprise.

13.2 Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. The Council's investment is fixed at £1.

Table 2: Shares held for service purposes in £

Category of Company	31.3.2023 actual			2024/25
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Local Authority owned company	1	-	1	1
TOTAL	1	0	1	1

13.3 Risk assessment: the Council has not invested in Ubico to generate a financial return. The Council has invested to support service delivery. Ubico is a cost-sharing company, any surplus generated within Ubico is returned to the partner Councils as shareholders.



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Similarly, any deficit as to be met by the Councils. Through regular budget monitoring and transparency around contract sums and performance and regulator communication, the risk of any financial loss is mitigated.

13.4 Liquidity: The Council has invested purely to facilitate service provision rather than a financial return. The Council has no intention to dispose of its investment in the foreseeable future.

13.5 Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

14. COMMERCIAL INVESTMENTS: PROPERTY

14.1 Contribution: The Council invests in a number of commercial properties within the Cotswold District and three significant assets outside of the district. The properties acquired outside of the District were acquired with the intention of generating income to support the revenue budget and were funded from the Council's capital receipts and therefore did not require the Council to undertake any borrowing.



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Table 3: Property held for investment purposes in £

Property Type	01-Apr 2023	31.3.2024 actual		31.3.2025 expected	
	Value in accounts	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Investment Property within Cotswold District	1,282,000	73,000	1,355,000	0	1,355,000
Investment Property inside of Cotswold District:	1,355,000	55,000	1,410,000	0	1,410,000
27A Dyer Street					
Investment Property outside of Cotswold District: Superdrug, Worcester	625,000	-115,000	510,000	0	510,000
Investment Property outside of Cotswold District: Tesco, Seaford	1,085,000	15,000	1,100,000	0	1,100,000
Investment Property outside of Cotswold District: West Bromwich (previously Wilkinson)	1,030,000	-530,000	500,000	0	500,000
TOTAL	5,377,000	-502,000	4,875,000	0	4,875,000

14.2 Security: A fair value assessment of the Council's investment property portfolio is undertaken each year as part of the final accounts process. Investment property is valued at market value. Property values fell during 2023/24 reflecting the valuer's assumption of the reductions in rental income expected in 2024/25 and potential void periods. The fair value of the Council's investment property portfolio is included in the Statement of Accounts; based upon 'market value'.



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- 14.3** Table 3 shows fair value gains and losses in 2023/24 which are a direct result of the valuation undertaken as at 31st March 2024. The losses in respect of the property owned at Great Bridge (near West Bromwich) previously leased by Wilkinson will not be recognised unless the Council decides to dispose of the asset. The Council maintains sufficient liquidity so that there is no requirement to sell any of the investment properties. Over time, it is expected that the market value of investment properties will vary. Assets are considered sound with strong covenants and dependable income streams.
- 14.4** The proportion of the Council's Investment Property portfolio which is outside of the District, is held primarily to generate a stable income stream to support the revenue budget.
- 14.5** Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding property investments by purchasing property with secure tenants on long leases and through:
- assessment of relevant market sector(s) including the level of competition, barriers to entry/exit, future market prospects
 - assessment of exposure to particular market segments to ensure adequate diversification
 - use of external advisors if considered appropriate by the S151 Officer
 - full and comprehensive report on any new investments to Cabinet/Council
 - continual monitoring of risk across the whole portfolio and specific assets
- 14.6 Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority sets out in its Treasury Management Strategy provision of liquid investments should the Council be in need of cash. It is not anticipated that the Council would need to sell any Investment Property at short notice.



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15. LOAN COMMITMENTS AND FINANCIAL GUARANTEES

15.1 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.

15.2 The Council is a shareholder of Ubico Ltd, owning one eighth of the company and is a joint partner in Publica Group (Support) Ltd, owning one quarter of the company. In both cases, should the company overspend, the Council be liable for its share of the additional costs. In both companies, sound financial management and budgetary control mitigate the risk that additional sums will be required without adequate notice.

15.3 The Council is contractually committed to provide a loan facility of £3.753m) to Cottsway 2 Ltd (a subsidiary of Cottsway Housing Association) to enable the provision of new dwellings incorporating low carbon technology at Davies Road, Moreton-in-Marsh. £1.856m of the facility is a short-term arrangement which will be repaid in full on receipt of grant funding from Homes England. The remainder of the £1.899m is a long term- term secured loan facility to be repaid within 50 years of the first drawdown date. To the extent that the loan facility is used, interest is payable to Cotswold District Council based on a rate of 3.25% per annum. Since 2023/24 £3.65m has been drawdown to date and £1.81m repaid. Leaving a balance at 31/12/24 of £1.898m (including £0.058m of accrued interest). There are plans in place to convert this into a long term secured loan during the last quarter of 2024/25.

16. PROPORTIONALITY

16.1 The Authority is dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium-Term Financial Plan. Should it fail to achieve the expected net profit, the Council has earmarked reserves available to cover any immediate



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shortfall in income or will be required to generate savings elsewhere within the budget to continue to provide its services. The Business Manager responsible for the Council's property and estates function would review the cause of any shortfall and identify any actions needed to ensure the income shortfall is mitigated or remedied.

- 16.2** With the introduction of the revised PWLB lending terms, the Council has no intention of purchasing investment assets primarily for yield. With no further expenditure planned on investment assets primarily for yield the proportion of investment to gross service expenditure will fluctuate as a result of changes in investment income from existing holdings and changes in gross service expenditure.

Table 4: Proportionality of Investments (£)

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
Treasury Investment income	-1,690,588	-1,626,000	-1,138,061	-705,000	-500,000
Loans income	-10,038	-67,228	-69,875	-68,584	-67,249
Share dividend	0	0	0	0	0
Investment Property income	-431,377	-292,027	-358,475	-365,645	-372,957
Investment income	-2,132,003	-1,985,255	-1,566,411	-1,139,229	-940,207
Gross service expenditure	30,303,999	27,474,203	30,270,203	31,203,001	32,768,638
Proportion	7.04%	7.23%	5.17%	3.65%	2.87%

17. BORROWING IN ADVANCE OF NEED

- 17.1** Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums



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borrowed. The Council will need to borrow in future years to fund new capital expenditure. Any funds borrowed will be in relation to specific schemes and based upon the cash required for the chosen schemes.

17.2 The Council may, in supporting the delivery of the Council's Capital Programme, borrow in advance of need where it is expected to demonstrate the best longer-term value for money position. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that the value for money can be demonstrated (i.e., the cost of holding does not outweigh the benefits of early borrowing) and that the Council can ensure the security of such funds.

17.3 The Council is aware that it will be exposed to the risk of loss of the borrowed sums, and potential interest rate changes. These risks will be managed as part of the Council's overall management of its treasury risks and will be reported through the standard reporting method.

18. CAPACITY, SKILLS AND CULTURE

Elected members and statutory officers:

18.1 The Council recognises that those elected Members and statutory officers involved in the investment decision process must have appropriate capacity, skills and information to enable them to:

- make informed decisions as to whether to enter into a specific investment;
- to assess individual assessments in the context of the strategic objectives and risk profile of the Council; and
- to enable them to understand how new decisions have changed the overall risk exposure of the Council.



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- 18.2** The Council employs professionally qualified and experienced staff in senior positions with responsibility for advising Council on capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer is a qualified accountant with over 25 years' experience of working in local government finance. The Council pays for junior staff to study toward relevant professional qualifications, including Chartered Institute of Public Finance and Accountancy (CIPFA) and Association of Accounting Technicians (AAT).
- 18.3** Where Council staff do not have the knowledge and skills required, external advisers and consultants are engaged that are specialists in their field. The Council employs Arlingclose Limited as treasury management advisers. The Council employs other specialist advisers to advise upon specific, extraordinary transactions as required. Examples of such transactions include property acquisitions, and loans to third parties. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite or while Council staff develop those skills.
- 18.4** The Council will also consider whether relevant Members of Cabinet have appropriate skills, providing training where there is a skills gap.
- 18.5** The Council has experience of investing in commercial property in recent years. The Council's property service is provided through its strategic service provider Publica Group (Support) Ltd. The team of property officers have the following qualifications:
- BSc Hons Real Estate Management
 - Associate Member Royal Institute Chartered Surveyors
 - Member Royal Institute Chartered Surveyors
 - Royal Institute Chartered Surveyors Registered Valuer
 - CIMA certificate in Business Accounting
 - Member Institute Welfare & Facilities management
 - Technical member for Institute for Occupational Safety and Health



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18.6 The Council's legal team have experience of carrying out due diligence checks, particularly for commercial property acquisitions, and the legal officers have the following qualifications:

- Fellows of the Chartered Institute of Legal Executives (CiLEX);
- Paralegal;
- Solicitors.

18.7 The Property and Legal Teams work together with the Finance team to support the Council's Chief Finance Officer and the Publica Finance Director in developing investment proposals for the Council. External specialist advice is obtained when required to support these teams.

18.8 The Council has previously invested in a range of commercial properties which are delivering a sustainable revenue stream to the Council.

18.9 Commercial deals: The Council's Chief Finance Officer, Deputy Chief Finance Officer and the Publica Finance Director are all aware of the core principles of the Prudential Framework and of the regulatory regime within which local authorities operate.

18.10 Officers would work with a team of specialist officers to prepare business cases for any commercial deals for consideration by Members. It is the responsibility of the finance team to ensure that the implications of the Prudential Framework and the regulatory regime are considered as business cases are developed.

18.11 The Cabinet and Council also includes elected Members with a wealth of experience from business, banking and financial organisations. Members will use their knowledge, skills and experience to scrutinise business cases for proposed Council investments as set out below.

Corporate governance:



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- 18.12** The Council will need to consider the best approach for the consideration and scrutiny of business cases for future investment to consider their contribution to the delivery of Council Priorities and impact upon the overall risk to the Council prior to recommendation for approval of expenditure by Cabinet or Council. The Cabinet will take decisions or make recommendations to the full Council on new investments that are not part of Treasury Management activity.
- 18.13** Financial performance is reported quarterly to the Council's Overview and Scrutiny Committee and to Cabinet. This includes the financial performance of the Treasury Management function and any other revenue generating investments.
- 18.14** The Audit and Governance Committee consider the draft Capital, Investment and Treasury Management Strategies and provides its views to the Cabinet for consideration. Cabinet recommends the suite of strategies to the Council for approval. Treasury Management performance is reported quarterly to the Council's Overview and Scrutiny Committee, Audit and Governance Committee and to Full Council.
- 18.15** The Council's internal audit provider, South West Audit Partnership Ltd (SWAP) regularly audits the Council's treasury management activity and its processes and procedures for approving investment and performance management. SWAP reports to the Council's Audit and Governance Committee.

19. INVESTMENT INDICATORS

- 19.1** The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure because of its investment decisions.
- 19.2 Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually



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committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans.

Table 5: Total investment exposure in £

Total investment exposure	31.03.2024 Actual	31.03.2025 Forecast	31.03.2026 Forecast
Treasury management investments	24,911,365	23,600,000	21,695,000
Service investments: Loans	2,117,425	2,303,522	2,276,166
Service investments: Shares	1	1	1
Commercial investments: Property	4,875,000	4,875,000	4,875,000
TOTAL INVESTMENTS	31,903,791	30,778,523	28,846,167
Commitments to lend	1,897,500	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	33,801,291	30,778,523	28,846,167

19.3 How investments are funded: Government guidance is that these indicators should include how investments are funded. No investments are currently funded by borrowing. All of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

19.4 Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.



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Table 6: Investment rate of return (net of all costs)

Investments net rate of return	2023/24 Actual	2024/25 Forecast	2025/26 Forecast
Treasury management investments	4.98%	4.74%	4.36%
Charities Loans*	2.14%	1.74%	1.70%
Housing Association Loans	0.00%	3.25%	3.25%
Local residents (equity loans)	0.00%	0.00%	0.00%
Employees (car loans)	2.00%	n/a	n/a
Service investments: Shares	0.00%	0.00%	0.00%
Commercial investments: Property**	7.18%	6.76%	4.03%
ALL INVESTMENTS			

*This represents an average return based on loans ranging from 0% to 3.5%.

**Commercial Property returns are calculated based on returns compared to the current market valuation of the asset not the purchase price).

SUMMARY REVENUE EXPENDITURE 2024/25 & 2025/26

By Service Area	2024/25 Budget		2025/26 Budget	
	£		£	
	Expenditure	Income	Expenditure	Income
Environmental Services	11,272,881	(6,776,544)	11,672,946	(6,911,977)
Leisure & Communities	2,367,272	(24,846)	2,573,023	(214,374)
Planning & Strategic Housing	2,695,786	(1,042,977)	2,811,754	(1,130,216)
Democratic Services	1,180,078	(3,880)	1,369,735	(4,000)
Corporate Services	2,614,587	(1,910,634)	2,689,676	(1,808,750)
Environmental & Regulatory Services (ERS)	1,155,819	(535,920)	1,248,019	(553,500)
Business Support Services - Finance, HR, Procurement	2,743,384	(1,335,727)	2,724,417	(1,169,854)
ICT, Change & Customer Services	2,497,411	(74,526)	2,580,287	(78,400)
Land, Legal & Property	1,862,069	(757,573)	1,785,038	(663,251)
Revenues & Housing Support	13,184,579	(12,254,719)	13,468,260	(12,625,070)
Total Cost of Service	41,238,917	(24,717,347)	43,625,357	(25,159,393)
Total Cost of Service (Net)		16,521,570		18,465,964
<u>Plus</u>				
Capital charges reversals		(1,778,287)		(1,924,783)
Capital expenditure funded from revenue and MRP		11,607		9,000
Movement to/(from) Reserves		306,437		(846,227)

By subjective	2024/25 Budget	2025/26 Budget
	£	£
Employees	2,845,641	7,736,742
Premises-Related Expenditure	1,599,266	1,592,156
Transport-Related Expenditure	7,655	8,470
Supplies & Services	3,016,648	3,521,978
Housing Benefit Payments	11,485,426	11,475,115
Major Contract Payments	20,405,993	17,208,134
Revenue Grants	91,000	91,000
Depreciation, Interest and Impairment Losses	1,787,287	1,991,761
Total Cost	41,238,916	43,625,357
Income	(24,717,346)	(25,159,393)
Total Cost of Service	16,521,570	18,465,964
<u>Plus</u>		
Reversal of capital charges	(1,778,287)	(1,924,783)
Capital expenditure funded from revenue and MRP	11,607	9,000
Movement to/(from) Earmarked Reserves	306,437	(846,227)
Net Budget Requirement	15,061,327	15,703,954

SUMMARY REVENUE EXPENDITURE 2024/25 & 2025/26

	2024/25 Budget	2025/26 Budget
<u>Financing:</u>	<u>£</u>	<u>£</u>
NNDR net income	(5,014,198)	(4,308,025)
Rural Services Delivery Grant	(818,120)	0
Services Grant	(13,114)	0
New Homes Bonus	(287,485)	(819,987)
Funding Guarantee	(2,230,732)	(3,865,366)
Collection Fund Deficit/(Surplus) - Council Tax	(473,462)	(119,000)
GF Budget Surplus/(deficit) [transfer (from)/to GF]	516,072	637,671
	<u>(8,464,606)</u>	<u>(8,638,536)</u>
Council Tax Base	42,855.33	44,456.16
Band D Council Tax	153.93	158.93
Council Tax	(6,596,721)	(7,065,418)

Budget Summary by Service Groups by Cost Centres

	Budget 24/25		Budget 25/26	
ENVIRONMENTAL SERVICES	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
CCC001 Climate Change	136,458	0	117,601	(12,287)
CCM001 Cemetery, Crematorium and Churchyards	207,262	(145,830)	190,492	(145,830)
CCM402 Cemeteries - Maintenance	22,520	0	22,520	0
CPK401 Car Parks	1,007,235	(3,474,672)	1,207,259	(3,463,772)
CPK402 Car Parks - Maintenance	41,700	0	41,700	0
CPK413 Car Parks - Tetbury The Chippings	45,200	(62,000)	58,385	(75,185)
CPK414 Car Parks - Chipping Campden	0	0	38,000	(38,000)
CPK415 Bourton on the Water Tourism Levy	51,623	(50,000)	60,000	(60,000)
FLD401 Land Drainage	128,187	(23,453)	132,792	(23,453)
REG003 Animal Control	25,645	0	25,951	0
REG019 Public Conveniences	347,732	(110,025)	358,964	(110,025)
RYC001 Recycling	3,318,862	(949,783)	3,577,643	(931,783)
RYC002 Green Waste	1,460,696	(1,470,000)	1,354,063	(1,593,000)
RYC003 Food Waste	816,707	(156,000)	887,573	(156,000)
STC001 Street Cleaning	1,609,520	0	1,431,996	0
WST001 Household Waste	1,879,673	(25,780)	1,992,603	(3,000)
WST004 Bulky Household Waste	72,537	(78,537)	72,537	(78,537)
WST401 Refuse-Stow Fair	11,729	0	11,847	0
WST402 South Cerney Depot, Packers Lease	89,595	(230,466)	91,020	(221,107)
ENVIRONMENTAL SERVICES	11,272,881	(6,776,544)	11,672,946	(6,911,977)

	Budget 24/25		Budget 25/26	
ENVIRONMENTAL SERVICES	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	3		98,504	
Premises	716,568		709,979	
Transport	0		0	
Supplies & Services	313,144		370,012	
Major contract payments	9,755,430		9,819,586	
Transfer Payments	0		0	
Depreciation & Amortisation	487,736		674,864	
External Income		(6,776,544)		(6,911,977)
ENVIRONMENTAL SERVICES	11,272,881	(6,776,544)	11,672,946	(6,911,977)

LEISURE & COMMUNITIES	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
CCR001 Community Safety (Crime Reduction)	26,500	0	7,198	0
COM401 Health Policy	29,739	0	3,127	0
COM402 Community Liaison	111,671	0	111,443	0
COM403 Youth Participation	91,989	0	85,000	0
COM405 Health Development	110,744	0	297,492	(71,308)
CUL410 Corinium Museum	353,430	(435)	297,054	(435)
CUL412 Collection Management	5,862	0	14,823	0
CUL413 Northleach Resouce Centre	19,776	0	19,651	0
ECD001 Economic Development	0	0	66,545	0
ECD010 - SPF Communities and Place	0	0	9,137	(9,137)
ECD011 – SPF Supporting Local Businesses	0	0	9,137	(9,137)
GBD001 Community Welfare Grants	176,880	0	181,811	0
REC410 Ciren - Centre Management	849,607	0	757,197	0
REC413 Ciren - Dryside Areas	12,021	(24,411)	9,750	(19,500)
REC419 Cirencester Leisure - Maintenance	43,000	0	43,000	0
REC430 C Campden - Centre Management	119,171	0	128,250	0
REC450 Bourton - Centre Management	237,126	0	146,587	0
REC459 Bourton - Maintenance	43,000	0	43,000	0
SUP002 Consultation, Policy & Research	84,317	0	88,016	0
TOU001 Tourism Strategy and Promotion	17,439	(0)	(0)	(0)
TOU403 Cotswold Tourism Partnership	35,000	0	254,805	(104,857)
LEISURE & COMMUNITIES	2,367,272	(24,846)	2,573,023	(214,374)

	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	1		801,845	
Premises	127,939		125,668	
Transport	0		0	
Supplies & Services	118,820		118,820	
Major contract payments	1,094,387		504,488	
Transfer Payments	85,000		85,000	
Depreciation & Amortisation	941,125		937,203	
External Income		(24,846)		(214,374)
LEISURE & COMMUNITIES	2,367,272	(24,846)	2,573,023	(214,374)

PLANNING & STRATEGIC HOUSING	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
CIL001 Community Infrastructure Levy	77,370	(40,000)	71,112	(64,004)
DEV001 Development Management - Applications	1,045,533	(1,001,877)	1,333,321	(1,016,495)
DEV002 Development Management - Appeals	96,957	0	45,594	0
DEV003 Development Management - Enforcement	222,429	(0)	1,592	(0)
DEV004 Development Advice	396,408	0	2,440	0
DEV401 Planning Advice For Land Charges	13,447	0	(0)	0
HOS001 Housing Strategy	117,058	0	171,699	0
HOS002 Housing Partnerships	29,125	0	0	0
HOS005 Community-Led Housing	0	0	0	0
PLP002 Local Development Framework	389,203	(100)	546,581	(48,717)
PLP005 Heritage & Design	265,296	0	609,933	0
PLP401 Fwd Plan work for Dev Con	19,714	0	0	0
PLP499 Local Development Framework Reserve	0	0	0	0
PSM001 Planning - Service Management and Support S	23,245	(1,000)	29,481	(1,000)
PLANNING & STRATEGIC HOUSING	2,695,786	(1,042,977)	2,811,754	(1,130,216)

	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	0		2,515,134	
Premises	20,830		20,830	
Transport	0		0	
Supplies & Services	185,584		225,732	
Major contract payments	2,461,352		17,691	
Transfer Payments	6,000		6,000	
Depreciation & Amortisation	22,019		26,367	
External Income		(1,042,977)		(1,130,216)
PLANNING & STRATEGIC HOUSING	2,695,786	(1,042,977)	2,811,754	(1,130,216)

DEMOCRATIC SERVICES	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
DRM001 Democratic Representation and Management	140,068	(0)	(0)	(0)
DRM003 Councillors Allowances	368,021	0	372,660	0
DRM004 Servicing Council	4,546	0	1,500	0
DRM005 Committee Services	139,571	0	244,593	0
DRM008 Corporate Subscriptions	26,670	0	31,500	0
ELE001 Registration of Electors	35,320	0	72,350	0
ELE002 District Elections	0	0	0	0
ELE003 Elections Support/Overheads	139,654	(1,880)	199,821	(2,000)
ELE004 Parliamentary Elections	0	0	0	0
ELE005 Parish Elections	5,000	(2,000)	5,000	(2,000)
SUP018 Press & PR/Communications	285,929	0	404,764	0
SUP022 Printing Services	7,615	0	7,810	0
SUP024 Postal Services	27,684	0	29,737	0
DEMOCRATIC SERVICES	1,180,078	(3,880)	1,369,735	(4,000)
<u>Subjective analysis:</u>				
Employees	18,014		662,266	
Premises	0		0	
Transport	3,820		3,820	
Supplies & Services	489,443		626,796	
Major contract payments	642,101		49,271	
Transfer Payments	0		0	
Depreciation & Amortisation	26,701		27,582	
External Income		(3,880)		(4,000)
DEMOCRATIC SERVICES	1,180,078	(3,880)	1,369,735	(4,000)

CORPORATE & RETAINED SERVICES	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
COR005 Corporate Finance	139,271	0	152,431	0
COR007 External Audit Fees	136,941	0	188,941	0
COR008 Bank Charges	61,065	0	95,065	0
FIE010 Interest Payable and Similar Charges	9,000	0	5,000	0
FIE030 Interest and Investment Income	13,000	(1,346,405)	18,706	(1,321,493)
FIE410 Commercial Properties - General	15,466	(160)	15,466	(160)
FIE411 Old Memorial Hospital (inc Cottages)	14,451	(7,265)	0	0
FIE413 Dyer Street	0	(120,000)	0	(114,117)
FIE415 Old Station	26,866	0	0	0
FIE416 Brewery Court, Arts & Niccol Centre	279	(56,142)	279	(2,952)
FIE417 GCC Depot, Chesterton Lane	996	(2,015)	996	(2,030)
FIE418 Abberley House/44 Black Jack St.	22,769	(87,339)	19,400	(90,201)
FIE419 Compton House	1,500	(14,626)	1,500	(15,064)
FIE423 1st Floor Church Rms, Bourton-on-the-Water	114	(4,570)	114	(4,570)
FIE424 Bourton VIC	1,575	(8,000)	0	0
FIE426 Wilkinson's West Bromich	5,945	0	5,945	(40,000)
FIE427 Superdrug Hereford	617	(62,155)	617	(32,155)
FIE428 Tesco's Seaford	1,039	(73,180)	1,389	(58,764)
FIE429 27 - 27a Dyer Street	21,344	(128,777)	21,344	(127,244)
NDC401 Discretionary Pension Payments	1,450,916	0	1,261,316	0
SUP032 Strategic Directors	691,432	0	901,167	0
COV019 Coronavirus	0	0	0	0
CORPORATE SERVICES	2,614,587	(1,910,634)	2,689,676	(1,808,750)

	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	1,864,616		1,959,218	
Premises	60,827		36,505	
Transport	0		300	
Supplies & Services	364,033		470,734	
Major contract payments	293,399		216,428	
Transfer Payments	0		0	
Depreciation & Amortisation & Int Payable	31,712		6,491	
External Income		(1,910,634)		(1,808,750)
CORPORATE SERVICES	2,614,587	(1,910,634)	2,689,676	(1,808,750)

ENVIRONMENTAL & REGULATORY SERVICES	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
BUC001 Building Control - Fee Earning Work	198,677	(260,000)	305,888	(260,000)
BUC002 Building Control - Non Fee Earning Work	63,379	0	1,133	0
BUC003 Dangerous Structures	2,500	0	2,500	0
EMP001 Emergency Planning	20,811	0	24,672	0
ESM001 Environment - Service Mgt and Support	110,712	0	115,244	0
PSH002 Private Sector Housing - Condition of Dwell	114	0	0	0
REG002 Licensing	243,244	(217,920)	261,023	(232,500)
REG009 Environmental Protection	218,782	(55,000)	228,381	(55,000)
REG013 Pollution Control	150,193	0	155,396	0
REG016 Food Safety	144,805	(3,000)	151,282	(3,000)
REG021 Statutory Burials	2,554	0	2,500	0
STC011 Abandoned Vehicles	48	0	0	(3,000)

ENVIRONMENTAL & REGULATORY SERVICES	1,155,819	(535,920)	1,248,019	(553,500)
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	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	0		249,302	
Premises	0		0	
Transport	0		0	
Supplies & Services	38,019		96,486	
Major contract payments	1,105,906		887,137	
Transfer Payments	0		0	
Depreciation & Amortisation	11,894		15,094	
External Income		(535,920)		(553,500)
ENVIRONMENTAL & REGULATORY SERVICES	1,155,819	(535,920)	1,248,019	(553,500)

BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
SUP003 Human Resources	653,386	(298,760)	400,444	(22,057)
SUP009 Accountancy	532,580	(39,120)	607,487	(39,120)
SUP010 Internal Audit	99,487	(23,262)	101,854	(23,262)
SUP011 Creditors	129,167	(68,797)	139,185	(70,639)
SUP012 Debtors	61,973	(15,480)	67,332	(15,480)
SUP013 Payroll	111,755	(63,750)	119,805	(63,750)
SUP019 Health & Safety	39,320	0	40,936	0
SUP020 Training & Development	148,029	(61,580)	154,519	(61,580)
SUP033 Central Purchasing	71,054	(23,803)	74,763	(23,803)
SUP035 Insurances	72,263	(53,690)	75,221	(53,690)
SUP042 ABW Support and Hosting	65,321	(50,694)	30,174	(14,360)
SUP403 Counter Fraud - CDC	122,256	(0)	130,582	(0)
SUP402 Glos. Counter Fraud Unit	636,791	(636,791)	782,113	(782,113)
BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	2,743,383	(1,335,727)	2,724,417	(1,169,854)

	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	617,689		1,053,301	
Premises	0		0	
Transport	3,600		3,600	
Supplies & Services	300,791		297,275	
Major contract payments	1,815,020		1,361,899	
Transfer Payments	0		0	
Depreciation & Amortisation	6,283		8,341	
External Income		(1,335,727)		(1,169,854)
BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	2,743,383	(1,335,727)	2,724,417	(1,169,854)

ICT, CHANGE & CUSTOMER SERVICES	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
ADB411 Moreton-in-Marsh, Offices	74,072	(29,861)	69,905	(34,270)
COM420 FOH - Moreton	122,766	(3,665)	130,629	(3,130)
SUP005 ICT	1,397,903	(14,000)	1,355,232	(14,000)
SUP017 Business Improvement/Transformation	132,977	0	138,635	0
SUP021 Business Continuity Planning	22,667	0	23,981	0
SUP023 Freedom of Information Act	13,015	0	13,548	0
SUP031 Application Support	110,726	0	201,726	0
SUP401 FOH - Trinity Road	613,055	0	636,342	0
TMR001 Street Naming	10,230	(27,000)	10,289	(27,000)
ICT, CHANGE & CUSTOMER SERVICES	2,497,411	(74,526)	2,580,287	(78,400)
<u>Subjective analysis:</u>				
Employees	0		0	
Premises	50,511		40,518	
Transport	0		0	
Supplies & Services	679,462		693,680	
Major contract payments	1,751,625		1,823,332	
Transfer Payments	0		0	
Internal Recharges / Indirect Cost	0		0	
Depreciation & Amortisation	15,813		22,757	
External Income		(74,526)		(78,400)
ICT, CHANGE & CUSTOMER SERVICES	2,497,411	(74,526)	2,580,287	(78,400)

LAND, LEGAL & PROPERTY SERVICES	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
ADB401 Trinity Road, Offices	650,671	(333,505)	624,946	(265,387)
ADB403 Trinity Road - Tenant Areas	0	0	0	(25,000)
ADB412 Moreton-in-Marsh, Offices - Maintenance	34,907	0	34,907	0
CUL411 Corinium Museum - Maintenance	31,750	0	31,750	0
ENA401 Housing Enabling Properties	7,976	(22,541)	8,588	(22,541)
FIE425 22/24 Ashcroft Road	8,500	0	0	0
LLC001 Local Land Charges	126,407	(188,705)	130,488	(196,847)
SUP004 Legal	488,433	(212,823)	437,459	(153,477)
SUP025 Property Services	513,425	0	516,899	0
LAND, LEGAL & PROPERTY SERVICES	1,862,069	(757,573)	1,785,038	(663,251)

Subjective analysis:

Employees	344,817		396,672	
Premises	563,044		511,019	
Transport	235		750	
Supplies & Services	212,988		108,991	
Major contract payments	602,565		605,834	
Transfer Payments	0		0	
Internal Recharges / Indirect Cost	0		0	
Depreciation & Amortisation	138,420		161,772	
External Income		(757,573)		(663,251)
LAND, LEGAL & PROPERTY SERVICES	1,862,069	(757,573)	1,785,038	(663,251)

REVENUES & HOUSING SUPPORT	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
HBP001 Rent Allowances	12,030,822	(11,624,966)	12,051,831	(11,674,247)
HOM001 Homelessness	583,016	(213,400)	759,629	(508,637)
HOM004	20,371	(20,463)	21,205	(21,297)
HOM005 Homelessness Hostels	21,574	(35,500)	59,174	(35,500)
HOM406 Temporary Emergency Accommodation	101,724	(62,856)	113,612	(70,856)
LTC001 Council Tax Collection	306,476	(89,000)	346,749	(100,000)
LTC011 NNDR Collection	69,268	(208,533)	63,743	(214,533)
PSH001 Private Sector Housing Grants	33,924	0	35,313	0
PUT001 Concessionary Travel	17,403	0	15,804	0
REVENUES & HOUSING SUPPORT	13,184,578	(12,254,718)	13,468,260	(12,625,070)

Subjective analysis:

Employees	500		500	
Premises	59,548		99,001	
Transport	0		0	
Supplies & Services	314,243		513,331	
Major contract payments	1,219,868		1,269,807	
Transfer Payments	11,485,426		11,475,115	
Depreciation & Amortisation	104,993		110,506	
External Income		(12,254,718)		(12,625,070)
REVENUES & HOUSING SUPPORT	13,184,578	(12,254,718)	13,468,260	(12,625,070)

PUBLICA CEX	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
SUP026 Chief Executive	139,181	0	103,735	0
PUBLICA CEX	139,181	0	103,735	0

Subjective analysis:

Employees	(0)		(0)	
Premises	0		0	
Transport	0		0	
Supplies & Services	120		120	
Third Party Payments	138,471		102,832	
Transfer Payments	0		0	
Depreciation & Amortisation	590		783	
External Income		0		0
PUBLICA CEX	139,181	0	103,735	0

OTHER	Budget 24/25		Budget 25/26	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
Savings and Contingency	(474,130)		598,467	
Capital charges reversals		(1,778,287)		(1,924,783)
Capital expenditure funded from revenue	11,607		9,000	
Movement to/(from) Reserves		306,437		(846,227)
Net Budget Requirement	41,250,522 15,061,327	26,189,196	43,634,357 15,703,954	(27,930,403)

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ANNEX H

STRATEGY FOR THE FLEXIBLE USE OF CAPITAL RECEIPTS

1. INTRODUCTION

- 1.1** To support local authorities to deliver more efficient and sustainable services, a time limited flexibility is currently available to use capital receipts from the disposal of property, plant and equipment assets to fund the revenue cost of service reform.
- 1.2** Under normal rules, capital receipts can only be used to fund capital expenditure such as the purchase of capital assets or improvements to existing assets.
- 1.3** The Ministry of Housing, Communities and Local Government (MHCLG) have issued an extension to a Direction and published guidance that enables Councils to use income from the sale of certain assets to fund the short-term revenue costs that support Transformation, Invest-to-save and efficiency projects in order to provide revenue savings in the future.
- 1.4** The strategy has regard to the Guidance on the Flexible Use of Capital Receipts issued by the Secretary of State under Section 15 (1)(a) of the Local Government Act 2003 during March 2016, including only those projects which are designed to generate ongoing revenue savings in the delivery of services and/or transform service delivery in a way that reduces costs or demand for services.
- 1.5** This strategy sets out the intended use of this flexibility and applies to the financial year 2025/26 and for each subsequent financial year to which the flexible use of capital receipts direction applies (currently 2029/30 is the last year). The Strategy will be updated as part of the annual budget process in subsequent years.



ANNEX H

STRATEGY FOR THE FLEXIBLE USE OF CAPITAL RECEIPTS

2. BACKGROUND

- 2.1** Capital receipts can only be used for specific purposes, and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003.
- 2.2** The main permitted purpose is to fund capital expenditure, and the use of capital receipts to support revenue expenditure is not allowed by the regulations. The Secretary of State is empowered to issue Directions allowing revenue expenditure incurred by local authorities to be treated as capital expenditure and therefore funded by capital receipts.
- 2.3** The Secretary of State for Communities and Local Government issued a Direction in March 2016, giving local authorities greater freedoms to use capital receipts to finance expenditure, initially up until 2018/19. This allowed local authorities to treat qualifying expenditure on transformation projects as capital expenditure and to fund it from capital receipts received after April 2016.
- 2.4** Qualifying expenditure was defined as: "Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners."
- 2.5** There have been number of extensions to the scheme since 2018/19 and on 18 December 2023 it was confirmed as part of the Provisional Local Government Settlement that the current scheme, which currently applies to expenditure and receipts incurred between 1 April 2022 and 31 March 2025, had been extended to 31 March 2030.
- 2.6** Therefore, to make use of capital receipts flexibilities, any qualifying revenue expenditure incurred between 1 April 2024 and 31 March 2030 can be considered.



ANNEX H

STRATEGY FOR THE FLEXIBLE USE OF CAPITAL RECEIPTS

3. FLEXIBLE CAPITAL RECEIPTS STRATEGY

- 3.1** The Guidance on the Flexible Use of Capital Receipts allows set-up and implementation costs to be counted as qualifying costs, however the on-going revenue costs of new processes or arrangements cannot.
- 3.2** Only receipts from the disposal of capital assets received between 01 April 2024 and 31 March 2030 are eligible for use to fund the qualifying costs of service reform. A balance of £7.098m is held within the Capital Receipts Reserve at 31 March 2024. Capital Receipts of £0.500m are anticipated to be received in the current financial year. A decision on whether to allocate for Flexible Use of Capital Receipts will be taken once the capital financing outturn position is known in July 2025.
- 3.3** The 2025/26 Revenue Budget and MTFS report highlights a significant and growing budget gap from 2026/27. The Council will need to develop and accelerate its Savings and Transformation Programme to address the budget gap identified.
- 3.4** A consideration of the programme should be the approach to costs (including one off costs) associated with supporting the delivery of these transformation savings. Whilst the Council does have significant capital receipts, these are utilised in support of capital expenditure and are reducing. Further receipts should be anticipated over the MTFS period. Therefore, this strategy proposes that subject to strict criteria and an assessment by the Council Section 151 Officer, a proportion of the costs are funded from a proportion of capital receipts the council holds and intends to obtain during the financial year.



ANNEX H
STRATEGY FOR THE FLEXIBLE USE OF CAPITAL RECEIPTS

Workstream #001					
Project	Summary	Lead Officer	Anticipated cost of delivery (£'000)	Anticipated annual revenue saving (£'000)	Use of Capital Receipt (Fin Year)
			0	0	

3.5 To achieve this, the use of capital receipts to support activity could include funding the costs associated with service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation that will be required throughout 2025/26 and over the MTFS period. The table above provides a template for how projects that are considered as eligible for flexible capital receipt funding would be identified, monitored and reported.

3.6 Service reform projects can still be financed in whole or in part from other resources e.g., the Council Priorities Fund. The Council is not obliged to fund these projects from capital receipts, however, on the approval of this strategy, it will have the option to do so.

3.7 The Council has due regard to the requirements of the Prudential Code and the impact on its prudential indicators from the application of this Flexible Use of Capital Receipts Strategy.



ANNEX H

STRATEGY FOR THE FLEXIBLE USE OF CAPITAL RECEIPTS

4. MONITORING OF THE STRATEGY

- 4.1** Projects included in the strategy support the Council's Cabinet Transform Working Group and progress will be monitored regularly as part of the quarterly Financial, Council Priority and Service Performance reporting.

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ANNEX I – BUDGET CONSULTATION RESPONSES

Ref	1. To support our priorities and help us to close our expected budget gap we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property (£3.33 for Band A up to £10 for Band G). Do you agree with this approach?	2. The Government are consulting on changes to the way local government is organised in England which may mean District Councils are abolished in the near future. In light of this, where do you feel the Council should prioritise expenditure over the next 2-3 years?	3. Do you have any suggestions about how the Council could reduce spending or raise additional revenue to meet its budget challenge?	4. Are there any other comments you would like to make on the Council's priorities or any other aspect of the Council's spending and service delivery?
#2526BC001	Agree	Finish and publish to Cirencester Town Centre Master Plan	Stop this ideological woke focus	
#2526BC002	Agree			
#2526BC003			Stop paying consultants stupid money.	
#2526BC004	Strongly Agree	I believe the main priority should be for the District to provide the best statutory services possible. Especially during a period of uncertainty.	It needs to look at public toilet charges which are relatively low in comparison to the cost of running the facilities. It also needs to look at staffing and any additional vacancies being suppressed where possible. It should also look at charging for areas where it hasn't charged previously.	



ANNEX I – BUDGET CONSULTATION RESPONSES

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#2526BC005	Strongly Agree	Making services more efficient and using reserves to deliver projects that can be implemented before the Council is reorganised.	The Council could make a small increase in its charges at toilets and charge at all of them.	Continue to focus on climate change, affordable housing and supporting our economy.
#2526BC006	Strongly Agree	stop repatriation of services	have a business waste service charge for bin/recycling container delivery use a smaller building as most people work from home outsource some services such as customer services, benefits, council tax, workforce planning/performance improvement/management with performance based pay	exercise caution



ANNEX I – BUDGET CONSULTATION RESPONSES

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#2526BC007	Agree	Wi-Fi in all your car parks as it takes a very long time to pay for parking using the app.		In the summer months to increase the general waste collections to weekly instead of fortnightly.
#2526BC008	Strongly Disagree			
#2526BC009	Disagree	Local safe cycle paths. Better public transport connections. Get people put of their cars by providing alternatives.	Stop giving funds to projects run by church of England and other religious groups and religious charities. They can raise their own funds. Maybe stop delivering paper copy updates just have a few for people to pick up	Some district councillors need to do better for their communities.
#2526BC010	Disagree	Its statutory obligations	Avoid consultations wherever possible to save money	Consider where A1 might be used
#2526BC011	Disagree			



ANNEX I – BUDGET CONSULTATION RESPONSES

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#2526BC012	Agree			
#2526BC013	Agree	In areas that can demonstrate to the public the importance of a district council	Employee less consultants	Reduce parking charges to make it affordable for local residents to visit the town more frequently
#2526BC014	Agree			
#2526BC015	Agree	Towards the geographic margins as these will become even more marginalised if a unitary authority is created		
#2526BC016	Strongly Agree	Affordable homes (social housing). Climate/biodiversity action		
#2526BC017	Strongly Disagree	Supporting business	Redundancies	Stop spending money on green issues
#2526BC018	Strongly Disagree			



ANNEX I – BUDGET CONSULTATION RESPONSES

Ref	1. To support our priorities and help us to close our expected budget gap we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property (£3.33 for Band A up to £10 for Band G). Do you agree with this approach?	2. The Government are consulting on changes to the way local government is organised in England which may mean District Councils are abolished in the near future. In light of this, where do you feel the Council should prioritise expenditure over the next 2-3 years?	3. Do you have any suggestions about how the Council could reduce spending or raise additional revenue to meet its budget challenge?	4. Are there any other comments you would like to make on the Council's priorities or any other aspect of the Council's spending and service delivery?
#2526BC019	Strongly Disagree	No new capital funding should be allocated. Prioritisation should be given to preparing for reorganisation and delivery of core services only	No new funding should be allocated to brand or marketing. Funding for communications should be reduced. No new capital funding should be allocated. Councillor allowances should be frozen. The reorganisation of staffing should be halted.	Car parking fees should be frozen and free after three reintroduced
#2526BC020	Strongly Agree			
#2526BC021	Strongly Agree	24/7 homelessness services (IE not just in weekdays), mitigating against the effects of climate change and funding VCS infrastructure support	Crowdfund for specific projects where businesses, residents and town/parish councils are happy to invest more money/co-fund community improvements	



ANNEX I – BUDGET CONSULTATION RESPONSES

Ref	1. To support our priorities and help us to close our expected budget gap we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property (£3.33 for Band A up to £10 for Band G). Do you agree with this approach?	2. The Government are consulting on changes to the way local government is organised in England which may mean District Councils are abolished in the near future. In light of this, where do you feel the Council should prioritise expenditure over the next 2-3 years?	3. Do you have any suggestions about how the Council could reduce spending or raise additional revenue to meet its budget challenge?	4. Are there any other comments you would like to make on the Council's priorities or any other aspect of the Council's spending and service delivery?
#2526BC022	Strongly Agree	Continue to support the poorest residents battling costs of living and Ensure more social housing is available to residents		
#2526BC023	Strongly Agree			
#2526BC024	Agree			
#2526BC025	Agree	Adult and Children's Social Care	By concentrating on efficient delivery of core functions rather than (e.g.) a larger Comms team.	
#2526BC026	Agree			
#2526BC027	Agree	High street businesses	Cut staff especially in HR.	Prioritise growth by attracting businesses to high street which will bring tax revenue and employment opportunities.



ANNEX I – BUDGET CONSULTATION RESPONSES

Ref	1. To support our priorities and help us to close our expected budget gap we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property (£3.33 for Band A up to £10 for Band G). Do you agree with this approach?	2. The Government are consulting on changes to the way local government is organised in England which may mean District Councils are abolished in the near future. In light of this, where do you feel the Council should prioritise expenditure over the next 2-3 years?	3. Do you have any suggestions about how the Council could reduce spending or raise additional revenue to meet its budget challenge?	4. Are there any other comments you would like to make on the Council's priorities or any other aspect of the Council's spending and service delivery?
#2526BC028	Disagree	On essential services only	Be sensible. The decision to spend money on redesigning your logo showed a complete lack of understanding over our collective financial positions.	Your priorities have been consistently wrong. You seem to increasingly spend money on ridiculous window dressing - like revamped street signs and new logos.
#2526BC029	Agree			
#2526BC030	Agree	Potholes		
#2526BC031	Agree			
#2526BC032	Disagree	Projects which benefit local Cotswold communities	Stop wasting money replacing perfectly good road name signs with ones bearing the Cotswold Council logo - this is a Joe Harris vanity project and of no value to residents.	Not to increase parking charges, you should be encouraging residents and visitors to use local shops and services not use motorists as a cash cow.



ANNEX I – BUDGET CONSULTATION RESPONSES

Ref	1. To support our priorities and help us to close our expected budget gap we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property (£3.33 for Band A up to £10 for Band G). Do you agree with this approach?	2. The Government are consulting on changes to the way local government is organised in England which may mean District Councils are abolished in the near future. In light of this, where do you feel the Council should prioritise expenditure over the next 2-3 years?	3. Do you have any suggestions about how the Council could reduce spending or raise additional revenue to meet its budget challenge?	4. Are there any other comments you would like to make on the Council's priorities or any other aspect of the Council's spending and service delivery?
#2526BC033	Agree	Support staff in education	Stop unnecessary expenditure on woke expenses	Not to have Gloucestershire split & a mayor elected !! Stay as it is. It works!
#2526BC034	Disagree			
#2526BC035	Agree	Maintaining services, keep toilets open	don't replace street signs unless existing ones broken	Keep up the excellent work on green issues
#2526BC036	Strongly Agree	Tourist investment to enhance the Cotswolds ' appeal to tourists by improving facilities and creating sustainable tourism initiatives. Create a high visibility community project (e.g. Cultural Centre or public space) to leave a positive legacy.	Invest in initiatives that support local tourism. Streamline services. Staff restructuring - reduce non essential hires and high paid hires. Share services. Negotiate better deals. ..	
#2526BC037	Agree			



ANNEX I – BUDGET CONSULTATION RESPONSES

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#2526BC038	Strongly Agree	green issues		The council provides good value for money
#2526BC039	Strongly Agree			
#2526BC040	Agree	Climate and Communities		
#2526BC041	Disagree	This goes directly against the agenda to empower smaller areas	Support the high street/ lower council tax to improve public spending	Please support the high street by keeping parking charges down along with business taxes. Public spending will improve. Charging more on second homes is a good start. You can also look at charging for weight of vehicles - this will mean that EV cars which are heavier pay their fair share to fix roads. Cut middle management and roles such as



ANNEX I – BUDGET CONSULTATION RESPONSES

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				diversity and inclusivity mentors. Freeze pensions in the public sector roles and ensure that those paid by the taxpayer are fully accountable.
#2526BC042	Strongly Disagree	I agree with getting rid of expensive layers of local government, such as Moreton Town Council, CDC and GCC and replacing with more delegated regional mayoral authority.		
#2526BC043	Strongly Agree	Road improvements and repairs		
#2526BC044	Agree	All infrastructure. Roads/ parking/ schools / doctors surgeries etc	Charge developers more !	More coordination when roads are dug up for services.



ANNEX I – BUDGET CONSULTATION RESPONSES

Ref	1. To support our priorities and help us to close our expected budget gap we plan to increase Council Tax by 10p a week (£5 a year) for a Band D property (£3.33 for Band A up to £10 for Band G). Do you agree with this approach?	2. The Government are consulting on changes to the way local government is organised in England which may mean District Councils are abolished in the near future. In light of this, where do you feel the Council should prioritise expenditure over the next 2-3 years?	3. Do you have any suggestions about how the Council could reduce spending or raise additional revenue to meet its budget challenge?	4. Are there any other comments you would like to make on the Council's priorities or any other aspect of the Council's spending and service delivery?
#2526BC045	Disagree			
#2526BC046	Strongly Agree	CDC has invested in long term projects such as solar and Publica transition. It no longer has a long term future so its priority should be to put the District in order. There are hundreds of outstanding compliance issues not counting all the ones not being dealt with. Create a good area Plan and tidy up as many of the outstanding issues as possible before the chaos.	It should reconsider its budget - the goal is not to pass on a large amount of money but to pass over a healthy District.	

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Agenda Item 9



COTSWOLD
District Council

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	COUNCIL – 24 FEBRUARY 2025
Subject	COUNCIL TAX 2025/26
Wards affected	ALL
Accountable member	Mike Evely, Deputy Leader and Cabinet Member for Finance and Transformation Email: mike.evely@cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive and Section 151 Officer Email: david.stanley@cotswold.gov.uk
Report author	David Stanley, Deputy Chief Executive and Section 151 Officer Email: david.stanley@cotswold.gov.uk
Summary/Purpose	To set the Council Tax and Precepts for 2025/26
Annexes	Annex A – Schedules 1-4
Recommendation(s)	<p>It is recommended that (subject to confirmation of Gloucestershire County Council's precept):</p> <ol style="list-style-type: none">1) for the purposes of the Local Government Finance Act 1992 Section 35(2), there are no special expenses for the District Council in 2025/26;2) it be noted that, using their delegated authority, the Deputy Chief Executive calculated the Council Tax Base for 2025/26:<ol style="list-style-type: none">(a) for the whole Council area as 44,456.16 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and(b) for dwellings in those parts of its area to which a Parish Precept relates as in the attached Schedule 1.



- 3) the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish Precepts) is £158.93.
- 4) the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:
 - (a) £50,782,191 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
 - (b) £38,558,091 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - (c) £12,224,100 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).
 - (d) £274.97 being the amount at 4(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses);
 - (e) £5,158,845 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the Act as per the attached Schedule 2.
 - (f) £158.93 being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by Item T(2(a) above), calculated by the Council, in accordance



with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates;

- (g) the amounts shown in Schedule 2 being the amounts given by adding to the amount at 4(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area shown in Schedule 2 divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;
 - (h) the amounts shown in Schedule 3 being the amounts given by multiplying the amounts at 4(f) and 4(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;
- 5) it be noted that for the year 2025/26 the Gloucestershire County Council and the Police & Crime Commissioner for Gloucestershire have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below:



COTSWOLD

District Council

Valuation Band	Gloucestershire County Council	Police and Crime Commissioner
	£	£
A	1,119.77	214.72
B	1,306.39	250.51
C	1,493.02	286.29
D	1,679.65	322.08
E	2,052.91	393.65
F	2,426.16	465.23
G	2,799.42	536.80
H	3,539.30	644.16

- 6) the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in Schedule 4 as the amounts of Council Tax for the year 2025/26 for each part of its area and for each of the categories of dwellings.
- 7) the Council's basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
- 8) the following Council/Public Officers: Deputy Chief Executive, Interim Director – Resident Services, Director of Governance and Development, Legal Executive, Business Manager – Environmental, Welfare and Revenues, Revenues Manager, Revenues Lead and Senior Recovery Officer be authorised to:
 - (a) collect and recover any National Non-Domestic Rates and Council Tax; and
 - (b) prosecute or defend on the Council's behalf or to appear on its behalf in proceedings before a magistrate's court in respect of unpaid National Non-Domestic Rates and Council Tax.



COTSWOLD

District Council

Corporate priorities	<ul style="list-style-type: none">• Delivering Good Services
Key Decision	NO
Exempt	NO
Consultees/ Consultation	



1. BACKGROUND INFORMATION

- 1.1 The Local Government Finance Act 1992, updated by the Localism Act 2011, requires:
- (a) the billing authority to calculate a Council Tax requirement for the year;
 - (b) the Council to confirm that its basic amount of Council Tax for 2024/25 is not excessive (this covers the requirements of Chapter IVZA of the Local Government Finance Act 1992 - referendums relating to Council Tax increases).
- 1.2 The report to Council elsewhere on this agenda includes a Net Budget Requirement of £15,074,111 for 2025/26, with a District Council Tax of £158.93 at Band D (an increase of 3.25 % on the 2024/25 figure).
- 1.3 The Local Government Act 2003 brought about two legal requirements for the Council when considering its budget and Council Tax for the following year. The Council must:
- (a) consider and approve its prudential indicators, which are necessary to comply with the CIPFA Code and which underpin the capital finance system; and
 - (b) the Council must have regard to the report of the Chief Financial Officer on the robustness of the budget estimates and the adequacy of the Council's financial reserves.
- 1.4 These requirements are set out in the separate 2025/26 Revenue Budget, Capital Programme and Medium-Term Financial Strategy report and associated Annexes to Council. Annex A of the Council report also incorporates the Chief Finance Officer's opinion on the robustness of the budget estimates and adequacy of the reserves.
- 1.5 The Council is required to make resolutions in respect of the tax base (Schedule 1) and aggregate levels of Council Tax. The aggregate levels of Council Tax



comprise the “basic amount”, i.e., parish and district levy (Schedule 2), amounts for each band (Schedule 3) and inclusion of Gloucestershire County Council and the Police & Crime Commissioner for Gloucestershire (Schedule 4). The recommendations to give effect to the legal resolution of these items are necessarily framed.

- 1.6 If the Council changes the budget recommendations, the figures in Recommendation 4 may need to be changed. If the proposed level of District Council Tax is changed, then the figures in Schedules 2-4 will also need to be amended. In order to make such changes and verify them, an adjournment of the Council Meeting may be required.
- 1.7 For the purposes of passing debts through the Courts, the Council must also formally resolve that certain Officers (of the Council and Publica) are empowered to carry out this function. Those Officers are identified at Recommendation 8.
- 1.8 The precept levels/proposals of other precepting bodies have been received. These are detailed below.
- 1.9 The Town and Parish Council precepts for 2025/26 total £5,158,845. The increase in the average Band D Council Tax for the Town and Parish Councils between 2024/25 and 2025/26 is 7.51%, and results in an average Band D Council Tax figure of £116.04 for 2025/26.
- 1.10 Gloucestershire County Council will meet on the 19 February 2025. The proposal presented to Council will give rise to a precept of £74,670,789.14 for the Cotswold District. This results in a Band D Council Tax of £1,679.65
- 1.11 The Police and Crime Commissioner for Gloucestershire has set a precept of £14,308,440.01. This results in a Band D Council Tax of £322.08.

2. FINANCIAL IMPLICATIONS

- 2.1 The recommendations set out in the formal Council Tax Resolution reflect the proposals commended to the Council by Cabinet.



2.2 If the proposals are accepted by the Council, and the formal Council Tax Resolution is approved, the total Band D Council Tax will be as follows:

Authority	2024/25 (£)	2025/26 (£)	Increase (£)	Increase (%)
Cotswold District Council	153.93	158.93	5.00	3.25%
Gloucestershire County Council	1,599.82	1,679.65	79.83	4.99%
Police and Crime Commissioner for Gloucestershire	308.08	322.08	14.00	4.54%
SUBTOTAL (excluding Town & Parishes)	2,061.83	2,160.66	98.83	4.79%
Town & Parish Council (average)	107.94	116.04	8.10	7.51%
TOTAL (including Town & Parishes)	2,169.77	2,276.70	106.93	4.93%

Band	Charge
A	6/9th (or 66.7%)
B	7/9th (or 77.8%)
C	8/9th (or 88.9%)
D	x one (or 100%) = the standard Council Tax charge for the area
E	11/9th (or 122%)
F	13/9th (or 144.4%)
G	15/9th (or 166.7%)
H	x 2 (or 200%)

For example, if the Band D charge for an area is £2,295:

1/9th of the Band D charge is £255

- A household in Band A will pay 6/9th (= 6 x £55) = £1,530
- A household in Band F will pay 13/9th (=13 x £255) = £3,315

	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Gloucestershire County Council	1,119.77	1,306.39	1,493.02	1,679.65	2,052.91	2,426.16	2,799.42	3,359.30
Cotswold District Council	105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Police & Crime Commissioner for Gloucestershire	214.72	250.51	286.29	322.08	393.65	465.23	536.80	644.16
Total excluding Parish	1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Adlestrop	77.93	700	5.99	6.98	7.98	8.98	10.98	12.97	14.97	17.96
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			111.94	130.59	149.25	167.91	205.23	242.54	279.85	335.82
Total Including County Council & Police			1,446.43	1,687.49	1,928.56	2,169.64	2,651.79	3,133.93	3,616.07	4,339.28
Aldsworth	143.45	1,950	9.06	10.57	12.08	13.59	16.61	19.63	22.65	27.18
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			115.01	134.18	153.35	172.52	210.86	249.20	287.53	345.04
Total Including County Council & Police			1,449.50	1,691.08	1,932.66	2,174.25	2,657.42	3,140.59	3,623.75	4,348.50
Ampney Crucis	370.85	29,719	53.43	62.33	71.24	80.14	97.95	115.76	133.57	160.28
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			159.38	185.94	212.51	239.07	292.20	345.33	398.45	478.14
Total Including County Council & Police			1,493.87	1,742.84	1,991.82	2,240.80	2,738.76	3,236.72	3,734.67	4,481.60
Ampney St Mary	70.82	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Ampney St Peter	66.89	1,800	17.94	20.93	23.92	26.91	32.89	38.87	44.85	53.82
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			123.89	144.54	165.19	185.84	227.14	268.44	309.73	371.68
Total Including County Council & Police			1,458.38	1,701.44	1,944.50	2,187.57	2,673.70	3,159.83	3,645.95	4,375.14
Andoversford	328.87	23,770	48.19	56.22	64.25	72.28	88.34	104.40	120.47	144.56
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			154.14	179.83	205.52	231.21	282.59	333.97	385.35	462.42
Total Including County Council & Police			1,488.63	1,736.73	1,984.83	2,232.94	2,729.15	3,225.36	3,721.57	4,465.88
Ashley	62.08	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Aston Subedge	32.81	400	8.13	9.48	10.84	12.19	14.90	17.61	20.32	24.38
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			114.08	133.09	152.11	171.12	209.15	247.18	285.20	342.24
Total Including County Council & Police			1,448.57	1,689.99	1,931.42	2,172.85	2,655.71	3,138.57	3,621.42	4,345.70

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT £	BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Avening	520.07	54,000	69.22	80.76	92.29	103.83	126.90	149.98	173.05	207.66
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			175.17	204.37	233.56	262.76	321.15	379.55	437.93	525.52
Total Including County Council & Police			1,509.66	1,761.27	2,012.87	2,264.49	2,767.71	3,270.94	3,774.15	4,528.98
Bagendon	158.01	1,100	4.64	5.41	6.19	6.96	8.51	10.05	11.60	13.92
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			110.59	129.02	147.46	165.89	202.76	239.62	276.48	331.78
Total Including County Council & Police			1,445.08	1,685.92	1,926.77	2,167.62	2,649.32	3,131.01	3,612.70	4,335.24
Barnsley	87.71	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Barrington	124.88	3,200	17.08	19.93	22.77	25.62	31.31	37.01	42.70	51.24
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			123.03	143.54	164.04	184.55	225.56	266.58	307.58	369.10
Total Including County Council & Police			1,457.52	1,700.44	1,943.35	2,186.28	2,672.12	3,157.97	3,643.80	4,372.56
Batsford	57.11	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Baunton	121.05	1,800	9.91	11.57	13.22	14.87	18.17	21.48	24.78	29.74
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			115.86	135.18	154.49	173.80	212.42	251.05	289.66	347.60
Total Including County Council & Police			1,450.35	1,692.08	1,933.80	2,175.53	2,658.98	3,142.44	3,625.88	4,351.06
Beverston	83.69	6,300	50.19	58.55	66.92	75.28	92.01	108.74	125.47	150.56
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			156.14	182.16	208.19	234.21	286.26	338.31	390.35	468.42
Total Including County Council & Police			1,490.63	1,739.06	1,987.50	2,235.94	2,732.82	3,229.70	3,726.57	4,471.88
Bibury	377.69	19,950	35.21	41.08	46.95	52.82	64.56	76.30	88.03	105.64
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			141.16	164.69	188.22	211.75	258.81	305.87	352.91	423.50
Total Including County Council & Police			1,475.65	1,721.59	1,967.53	2,213.48	2,705.37	3,197.26	3,689.13	4,426.96
Birdlip	145.81	7,940	36.30	42.35	48.40	54.45	66.55	78.65	90.75	108.90
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			142.25	165.96	189.67	213.38	260.80	308.22	355.63	426.76
Total Including County Council & Police			1,476.74	1,722.86	1,968.98	2,215.11	2,707.36	3,199.61	3,691.85	4,430.22
Bledington	267.33	22,769	56.78	66.24	75.71	85.17	104.10	123.02	141.95	170.34
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			162.73	189.85	216.98	244.10	298.35	352.59	406.83	488.20
Total Including County Council & Police			1,497.22	1,746.75	1,996.29	2,245.83	2,744.91	3,243.98	3,743.05	4,491.66

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT £	BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Blockley	1,172.57	132,052	75.08	87.59	100.11	112.62	137.65	162.67	187.70	225.24
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			181.03	211.20	241.38	271.55	331.90	392.24	452.58	543.10
Total Including County Council & Police			1,515.52	1,768.10	2,020.69	2,273.28	2,778.46	3,283.63	3,788.80	4,546.56
Bourton-on-the-Hill	168.15	8,880	35.21	41.07	46.94	52.81	64.55	76.28	88.02	105.62
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			141.16	164.68	188.21	211.74	258.80	305.85	352.90	423.48
Total Including County Council & Police			1,475.65	1,721.58	1,967.52	2,213.47	2,705.36	3,197.24	3,689.12	4,426.94
Bourton-on-the-Water	1,803.71	220,926	81.65	95.26	108.87	122.48	149.70	176.92	204.13	244.96
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			187.60	218.87	250.14	281.41	343.95	406.49	469.01	562.82
Total Including County Council & Police			1,522.09	1,775.77	2,029.45	2,283.14	2,790.51	3,297.88	3,805.23	4,566.28
Boxwell with Leighterton	120.41	2,010	11.13	12.98	14.84	16.69	20.40	24.11	27.82	33.38
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			117.08	136.59	156.11	175.62	214.65	253.68	292.70	351.24
Total Including County Council & Police			1,451.57	1,693.49	1,935.42	2,177.35	2,661.21	3,145.07	3,628.92	4,354.70
Brimpsfield	166.54	7,500	30.02	35.02	40.03	45.03	55.04	65.04	75.05	90.06
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			135.97	158.63	181.30	203.96	249.29	294.61	339.93	407.92
Total Including County Council & Police			1,470.46	1,715.53	1,960.61	2,205.69	2,695.85	3,186.00	3,676.15	4,411.38
Broadwell	214.62	11,800	36.65	42.76	48.87	54.98	67.20	79.42	91.63	109.96
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			142.60	166.37	190.14	213.91	261.45	308.99	356.51	427.82
Total Including County Council & Police			1,477.09	1,723.27	1,969.45	2,215.64	2,708.01	3,200.38	3,692.73	4,431.28
Chedworth	452.33	16,426	24.21	28.24	32.28	36.31	44.38	52.45	60.52	72.62
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			130.16	151.85	173.55	195.24	238.63	282.02	325.40	390.48
Total Including County Council & Police			1,464.65	1,708.75	1,952.86	2,196.97	2,685.19	3,173.41	3,661.62	4,393.94
Cherington	95.94	4,065	28.25	32.95	37.66	42.37	51.79	61.20	70.62	84.74
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			134.20	156.56	178.93	201.30	246.04	290.77	335.50	402.60
Total Including County Council & Police			1,468.69	1,713.46	1,958.24	2,203.03	2,692.60	3,182.16	3,671.72	4,406.06
Chipping Campden	1,523.04	153,733	67.29	78.51	89.72	100.94	123.37	145.80	168.23	201.88
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			173.24	202.12	230.99	259.87	317.62	375.37	433.11	519.74
Total Including County Council & Police			1,507.73	1,759.02	2,010.30	2,261.60	2,764.18	3,266.76	3,769.33	4,523.20
Cirencester	7,611.22	1,923,000	168.43	196.51	224.58	252.65	308.79	364.94	421.08	505.30
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			274.38	320.12	365.85	411.58	503.04	594.51	685.96	823.16
Total Including County Council & Police			1,608.87	1,877.02	2,145.16	2,413.31	2,949.60	3,485.90	4,022.18	4,826.62

PARISH	COUNCIL TAX BASE	PARISH PRECEPT £	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
			BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Clapton-on-the-Hill	66.65	420	4.20	4.90	5.60	6.30	7.70	9.10	10.50	12.60
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			110.15	128.51	146.87	165.23	201.95	238.67	275.38	330.46
Total Including County Council & Police			1,444.64	1,685.41	1,926.18	2,166.96	2,648.51	3,130.06	3,611.60	4,333.92
Coates	237.84	11,973	33.56	39.15	44.75	50.34	61.53	72.71	83.90	100.68
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			139.51	162.76	186.02	209.27	255.78	302.28	348.78	418.54
Total Including County Council & Police			1,474.00	1,719.66	1,965.33	2,211.00	2,702.34	3,193.67	3,685.00	4,422.00
Coberley	196.84	10,250	34.71	40.50	46.28	52.07	63.64	75.21	86.78	104.14
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			140.66	164.11	187.55	211.00	257.89	304.78	351.66	422.00
Total Including County Council & Police			1,475.15	1,721.01	1,966.86	2,212.73	2,704.45	3,196.17	3,687.88	4,425.46
Cold Aston	149.25	5,000	22.33	26.06	29.78	33.50	40.94	48.39	55.83	67.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			128.28	149.67	171.05	192.43	235.19	277.96	320.71	384.86
Total Including County Council & Police			1,462.77	1,706.57	1,950.36	2,194.16	2,681.75	3,169.35	3,656.93	4,388.32
Colesbourne	74.30	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Coln St. Aldwyns	190.56	10,240	35.83	41.80	47.77	53.74	65.68	77.62	89.57	107.48
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			141.78	165.41	189.04	212.67	259.93	307.19	354.45	425.34
Total Including County Council & Police			1,476.27	1,722.31	1,968.35	2,214.40	2,706.49	3,198.58	3,690.67	4,428.80
Coln St. Dennis	161.30	2,000	8.27	9.64	11.02	12.40	15.16	17.91	20.67	24.80
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			114.22	133.25	152.29	171.33	209.41	247.48	285.55	342.66
Total Including County Council & Police			1,448.71	1,690.15	1,931.60	2,173.06	2,655.97	3,138.87	3,621.77	4,346.12
Compton Abdale	75.90	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Condicote	73.85	750	6.77	7.90	9.03	10.16	12.42	14.68	16.93	20.32
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			112.72	131.51	150.30	169.09	206.67	244.25	281.81	338.18
Total Including County Council & Police			1,447.21	1,688.41	1,929.61	2,170.82	2,653.23	3,135.64	3,618.03	4,341.64
Cowley	72.70	6,200	56.85	66.33	75.80	85.28	104.23	123.18	142.13	170.56
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			162.80	189.94	217.07	244.21	298.48	352.75	407.01	488.42
Total Including County Council & Police			1,497.29	1,746.84	1,996.38	2,245.94	2,745.04	3,244.14	3,743.23	4,491.88

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT £	BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Cutsdean	33.14	730	14.69	17.13	19.58	22.03	26.93	31.82	36.72	44.06
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			120.64	140.74	160.85	180.96	221.18	261.39	301.60	361.92
Total Including County Council & Police			1,455.13	1,697.64	1,940.16	2,182.69	2,667.74	3,152.78	3,637.82	4,365.38
Daglingworth	158.48	8,180	34.41	40.14	45.88	51.61	63.08	74.55	86.02	103.22
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			140.36	163.75	187.15	210.54	257.33	304.12	350.90	421.08
Total Including County Council & Police			1,474.85	1,720.65	1,966.46	2,212.27	2,703.89	3,195.51	3,687.12	4,424.54
Didmarton	197.33	13,310	44.97	52.46	59.96	67.45	82.44	97.43	112.42	134.90
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			150.92	176.07	201.23	226.38	276.69	327.00	377.30	452.76
Total Including County Council & Police			1,485.41	1,732.97	1,980.54	2,228.11	2,723.25	3,218.39	3,713.52	4,456.22
Donnington	55.67	1,000	11.97	13.97	15.96	17.96	21.95	25.94	29.93	35.92
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			117.92	137.58	157.23	176.89	216.20	255.51	294.81	353.78
Total Including County Council & Police			1,452.41	1,694.48	1,936.54	2,178.62	2,662.76	3,146.90	3,631.03	4,357.24
Dowdeswell	86.76	1,800	13.83	16.14	18.44	20.75	25.36	29.97	34.58	41.50
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			119.78	139.75	159.71	179.68	219.61	259.54	299.46	359.36
Total Including County Council & Police			1,454.27	1,696.65	1,939.02	2,181.41	2,666.17	3,150.93	3,635.68	4,362.82
Down Ampney	280.24	40,000	95.15	111.01	126.87	142.73	174.45	206.17	237.88	285.46
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			201.10	234.62	268.14	301.66	368.70	435.74	502.76	603.32
Total Including County Council & Police			1,535.59	1,791.52	2,047.45	2,303.39	2,815.26	3,327.13	3,838.98	4,606.78
Driffield	73.83	6,280	56.71	66.16	75.61	85.06	103.96	122.86	141.77	170.12
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			162.66	189.77	216.88	243.99	298.21	352.43	406.65	487.98
Total Including County Council & Police			1,497.15	1,746.67	1,996.19	2,245.72	2,744.77	3,243.82	3,742.87	4,491.44
Duntisbourne Abbots	197.37	8,000	27.02	31.52	36.03	40.53	49.54	58.54	67.55	81.06
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			132.97	155.13	177.30	199.46	243.79	288.11	332.43	398.92
Total Including County Council & Police			1,467.46	1,712.03	1,956.61	2,201.19	2,690.35	3,179.50	3,668.65	4,402.38
Eastleach	191.77	17,196	59.78	69.74	79.71	89.67	109.60	129.52	149.45	179.34
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			165.73	193.35	220.98	248.60	303.85	359.09	414.33	497.20
Total Including County Council & Police			1,500.22	1,750.25	2,000.29	2,250.33	2,750.41	3,250.48	3,750.55	4,500.66
Ebrington	369.29	16,067	29.01	33.84	38.68	43.51	53.18	62.85	72.52	87.02
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			134.96	157.45	179.95	202.44	247.43	292.42	337.40	404.88
Total Including County Council & Police			1,469.45	1,714.35	1,959.26	2,204.17	2,693.99	3,183.81	3,673.62	4,408.34

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Edgeworth	70.70	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Elkstone	130.33	6,000	30.69	35.81	40.92	46.04	56.27	66.50	76.73	92.08
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			136.64	159.42	182.19	204.97	250.52	296.07	341.61	409.94
Total Including County Council & Police			1,471.13	1,716.32	1,961.50	2,206.70	2,697.08	3,187.46	3,677.83	4,413.40
Evenlode	121.51	3,186	17.48	20.39	23.31	26.22	32.05	37.87	43.70	52.44
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			123.43	144.00	164.58	185.15	226.30	267.44	308.58	370.30
Total Including County Council & Police			1,457.92	1,700.90	1,943.89	2,186.88	2,672.86	3,158.83	3,644.80	4,373.76
Fairford	1,685.36	209,640	82.93	96.75	110.57	124.39	152.03	179.67	207.32	248.78
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			188.88	220.36	251.84	283.32	346.28	409.24	472.20	566.64
Total Including County Council & Police			1,523.37	1,777.26	2,031.15	2,285.05	2,792.84	3,300.63	3,808.42	4,570.10
Farmington	88.13	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Great Rissington	211.74	10,550	33.22	38.76	44.29	49.83	60.90	71.98	83.05	99.66
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			139.17	162.37	185.56	208.76	255.15	301.55	347.93	417.52
Total Including County Council & Police			1,473.66	1,719.27	1,964.87	2,210.49	2,701.71	3,192.94	3,684.15	4,420.98
Guiting Power	171.80	4,805	18.65	21.75	24.86	27.97	34.19	40.40	46.62	55.94
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			124.60	145.36	166.13	186.90	228.44	269.97	311.50	373.80
Total Including County Council & Police			1,459.09	1,702.26	1,945.44	2,188.63	2,675.00	3,161.36	3,647.72	4,377.26
Hampnett	42.62	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Hatherop	92.49	3,540	25.52	29.77	34.03	38.28	46.79	55.29	63.80	76.56
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			131.47	153.38	175.30	197.21	241.04	284.86	328.68	394.42
Total Including County Council & Police			1,465.96	1,710.28	1,954.61	2,198.94	2,687.60	3,176.25	3,664.90	4,397.88
Hazleton	117.47	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Icomb	93.28	3,000	21.44	25.01	28.59	32.16	39.31	46.45	53.60	64.32
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			127.39	148.62	169.86	191.09	233.56	276.02	318.48	382.18
Total Including County Council & Police			1,461.88	1,705.52	1,949.17	2,192.82	2,680.12	3,167.41	3,654.70	4,385.64
Kemble & Ewen	572.59	35,181	40.96	47.79	54.61	61.44	75.09	88.75	102.40	122.88
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			146.91	171.40	195.88	220.37	269.34	318.52	367.28	440.74
Total Including County Council & Police			1,481.40	1,728.30	1,975.19	2,222.10	2,715.90	3,209.71	3,703.50	4,444.20
Kempsford	483.36	27,150	37.45	43.69	49.93	56.17	68.65	81.13	93.62	112.34
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			143.40	167.30	191.20	215.10	262.90	310.70	358.50	430.20
Total Including County Council & Police			1,477.89	1,724.20	1,970.51	2,216.83	2,709.46	3,202.09	3,694.72	4,433.66
Kingscote	170.47	5,470	21.39	24.96	28.52	32.09	39.22	46.35	53.48	64.18
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			127.34	148.57	169.79	191.02	233.47	275.92	318.36	382.04
Total Including County Council & Police			1,461.83	1,705.47	1,949.10	2,192.75	2,680.03	3,167.31	3,654.58	4,385.50
Lechlade	1,718.46	238,337	92.46	107.87	123.28	138.69	169.51	200.33	231.15	277.38
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			198.41	231.48	264.55	297.62	363.76	429.90	496.03	595.24
Total Including County Council & Police			1,532.90	1,788.38	2,043.86	2,299.35	2,810.32	3,321.29	3,832.25	4,598.70
Little Rissington	170.11	10,500	41.15	48.00	54.86	61.72	75.44	89.15	102.87	123.44
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			147.10	171.61	196.13	220.65	269.69	318.72	367.75	441.30
Total Including County Council & Police			1,481.59	1,728.51	1,975.44	2,222.38	2,716.25	3,210.11	3,703.97	4,444.76
Longborough	295.13	21,555	48.69	56.81	64.92	73.04	89.27	105.50	121.73	146.08
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			154.64	180.42	206.19	231.97	283.52	335.07	386.61	463.94
Total Including County Council & Police			1,489.13	1,737.32	1,985.50	2,233.70	2,730.08	3,226.46	3,722.83	4,467.40
Long Newton	131.98	3,250	16.42	19.16	21.89	24.63	30.10	35.58	41.05	49.26
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			122.37	142.77	163.16	183.56	224.35	265.15	305.93	367.12
Total Including County Council & Police			1,456.86	1,699.67	1,942.47	2,185.29	2,670.91	3,156.54	3,642.15	4,370.58
Lower Slaughter	177.55	8,750	32.85	38.33	43.80	49.28	60.23	71.18	82.13	98.56
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			138.80	161.94	185.07	208.21	254.48	300.75	347.01	416.42
Total Including County Council & Police			1,473.29	1,718.84	1,964.38	2,209.94	2,701.04	3,192.14	3,683.23	4,419.88
Maugersbury	126.14	5,406	28.57	33.34	38.10	42.86	52.38	61.91	71.43	85.72
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			134.52	156.95	179.37	201.79	246.63	291.48	336.31	403.58
Total Including County Council & Police			1,469.01	1,713.85	1,958.68	2,203.52	2,693.19	3,182.87	3,672.53	4,407.04

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Meysey Hampton	268.01	10,290	25.59	29.86	34.12	38.39	46.92	55.45	63.98	76.78
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			131.54	153.47	175.39	197.32	241.17	285.02	328.86	394.64
Total Including County Council & Police			1,466.03	1,710.37	1,954.70	2,199.05	2,687.73	3,176.41	3,665.08	4,398.10
Mickleton	994.37	45,250	30.34	35.40	40.45	45.51	55.62	65.74	75.85	91.02
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			136.29	159.01	181.72	204.44	249.87	295.31	340.73	408.88
Total Including County Council & Police			1,470.78	1,715.91	1,961.03	2,206.17	2,696.43	3,186.70	3,676.95	4,412.34
Moreton-in-Marsh	2,279.74	303,084	88.63	103.41	118.18	132.95	162.49	192.04	221.58	265.90
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			194.58	227.02	259.45	291.88	356.74	421.61	486.46	583.76
Total Including County Council & Police			1,529.07	1,783.92	2,038.76	2,293.61	2,803.30	3,313.00	3,822.68	4,587.22
Naunton	248.05	18,922	50.85	59.33	67.80	76.28	93.23	110.18	127.13	152.56
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			156.80	182.94	209.07	235.21	287.48	339.75	392.01	470.42
Total Including County Council & Police			1,491.29	1,739.84	1,988.38	2,236.94	2,734.04	3,231.14	3,728.23	4,473.88
North Cerney	247.74	7,550	20.32	23.71	27.09	30.48	37.25	44.03	50.80	60.96
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			126.27	147.32	168.36	189.41	231.50	273.60	315.68	378.82
Total Including County Council & Police			1,460.76	1,704.22	1,947.67	2,191.14	2,678.06	3,164.99	3,651.90	4,382.28
Northleach & Eastington	822.00	100,376	81.41	94.97	108.54	122.11	149.25	176.38	203.52	244.22
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			187.36	218.58	249.81	281.04	343.50	405.95	468.40	562.08
Total Including County Council & Police			1,521.85	1,775.48	2,029.12	2,282.77	2,790.06	3,297.34	3,804.62	4,565.54
Notgrove	55.54	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Oddington	286.03	9,000	20.98	24.48	27.97	31.47	38.46	45.46	52.45	62.94
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			126.93	148.09	169.24	190.40	232.71	275.03	317.33	380.80
Total Including County Council & Police			1,461.42	1,704.99	1,948.55	2,192.13	2,679.27	3,166.42	3,653.55	4,384.26
Ozleworth	23.96	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Poole Keynes	96.55	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT £	BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Poulton	245.72	10,000	27.13	31.66	36.18	40.70	49.74	58.79	67.83	81.40
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			133.08	155.27	177.45	199.63	243.99	288.36	332.71	399.26
Total Including County Council & Police			1,467.57	1,712.17	1,956.76	2,201.36	2,690.55	3,179.75	3,668.93	4,402.72
Preston	201.70	17,143	56.66	66.10	75.55	84.99	103.88	122.76	141.65	169.98
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			162.61	189.71	216.82	243.92	298.13	352.33	406.53	487.84
Total Including County Council & Police			1,497.10	1,746.61	1,996.13	2,245.65	2,744.69	3,243.72	3,742.75	4,491.30
Quenington	289.82	23,627	54.35	63.40	72.46	81.52	99.64	117.75	135.87	163.04
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			160.30	187.01	213.73	240.45	293.89	347.32	400.75	480.90
Total Including County Council & Police			1,494.79	1,743.91	1,993.04	2,242.18	2,740.45	3,238.71	3,736.97	4,484.36
Rendcomb	134.17	5,000	24.85	28.99	33.13	37.27	45.55	53.83	62.12	74.54
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			130.80	152.60	174.40	196.20	239.80	283.40	327.00	392.40
Total Including County Council & Police			1,465.29	1,709.50	1,953.71	2,197.93	2,686.36	3,174.79	3,663.22	4,395.86
Rodmarton	191.06	7,250	25.30	29.52	33.73	37.95	46.38	54.82	63.25	75.90
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			131.25	153.13	175.00	196.88	240.63	284.39	328.13	393.76
Total Including County Council & Police			1,465.74	1,710.03	1,954.31	2,198.61	2,687.19	3,175.78	3,664.35	4,397.22
Saintbury	56.84	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Sapperton	211.97	11,500	36.17	42.19	48.22	54.25	66.31	78.36	90.42	108.50
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			142.12	165.80	189.49	213.18	260.56	307.93	355.30	426.36
Total Including County Council & Police			1,476.61	1,722.70	1,968.80	2,214.91	2,707.12	3,199.32	3,691.52	4,429.82
Sevenhampton	222.59	10,000	29.95	34.95	39.94	44.93	54.91	64.90	74.88	89.86
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			135.90	158.56	181.21	203.86	249.16	294.47	339.76	407.72
Total Including County Council & Police			1,470.39	1,715.46	1,960.52	2,205.59	2,695.72	3,185.86	3,675.98	4,411.18
Sezincote	47.48	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Sherborne	200.55	2,500	8.31	9.70	11.08	12.47	15.24	18.01	20.78	24.94
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			114.26	133.31	152.35	171.40	209.49	247.58	285.66	342.80
Total Including County Council & Police			1,448.75	1,690.21	1,931.66	2,173.13	2,656.05	3,138.97	3,621.88	4,346.26

PARISH			6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	COUNCIL TAX BASE	PARISH PRECEPT £	BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Shipton	213.01	19,988	62.56	72.99	83.41	93.84	114.69	135.55	156.40	187.68
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			168.51	196.60	224.68	252.77	308.94	365.12	421.28	505.54
Total Including County Council & Police			1,503.00	1,753.50	2,003.99	2,254.50	2,755.50	3,256.51	3,757.50	4,509.00
Shipton Moyne	169.50	8,075	31.76	37.05	42.35	47.64	58.23	68.81	79.40	95.28
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			137.71	160.66	183.62	206.57	252.48	298.38	344.28	413.14
Total Including County Council & Police			1,472.20	1,717.56	1,962.93	2,208.30	2,699.04	3,189.77	3,680.50	4,416.60
Siddington	660.90	34,000	34.30	40.02	45.73	51.45	62.88	74.32	85.75	102.90
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			140.25	163.63	187.00	210.38	257.13	303.89	350.63	420.76
Total Including County Council & Police			1,474.74	1,720.53	1,966.31	2,212.11	2,703.69	3,195.28	3,686.85	4,424.22
Somerford Keynes	570.35	6,300	7.37	8.59	9.82	11.05	13.51	15.96	18.42	22.10
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			113.32	132.20	151.09	169.98	207.76	245.53	283.30	339.96
Total Including County Council & Police			1,447.81	1,689.10	1,930.40	2,171.71	2,654.32	3,136.92	3,619.52	4,343.42
South Cerney	1,909.56	134,981	47.13	54.98	62.84	70.69	86.40	102.11	117.82	141.38
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			153.08	178.59	204.11	229.62	280.65	331.68	382.70	459.24
Total Including County Council & Police			1,487.57	1,735.49	1,983.42	2,231.35	2,727.21	3,223.07	3,718.92	4,462.70
Southrop	169.74	16,000	62.84	73.31	83.79	94.26	115.21	136.15	157.10	188.52
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			168.79	196.92	225.06	253.19	309.46	365.72	421.98	506.38
Total Including County Council & Police			1,503.28	1,753.82	2,004.37	2,254.92	2,756.02	3,257.11	3,758.20	4,509.84
Stow-on-the-Wold	1,215.26	237,501	130.29	152.00	173.72	195.43	238.86	282.29	325.72	390.86
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			236.24	275.61	314.99	354.36	433.11	511.86	590.60	708.72
Total Including County Council & Police			1,570.73	1,832.51	2,094.30	2,356.09	2,879.67	3,403.25	3,926.82	4,712.18
Swell	288.10	16,400	37.95	44.27	50.60	56.92	69.57	82.22	94.87	113.84
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			143.90	167.88	191.87	215.85	263.82	311.17	359.75	431.70
Total Including County Council & Police			1,478.39	1,724.78	1,971.18	2,217.58	2,710.38	3,203.18	3,695.97	4,435.16
Syde	17.27	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Temple Guiting	241.81	7,712	21.26	24.80	28.35	31.89	38.98	46.06	53.15	63.78
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			127.21	148.41	169.62	190.82	233.23	275.63	318.03	381.64
Total Including County Council & Police			1,461.70	1,705.31	1,948.93	2,192.55	2,679.79	3,167.02	3,654.25	4,385.10

PARISH	COUNCIL TAX BASE	PARISH PRECEPT £	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
			BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Tetbury Cotswold District Council Parish & District Council Tax Total Including County Council & Police	2,753.81	484,669	117.33 105.95 223.28 1,557.77	136.89 123.61 260.50 1,817.40	156.44 141.27 297.71 2,077.02	176.00 158.93 334.93 2,336.66	215.11 194.25 409.36 2,855.92	254.22 229.57 483.79 3,375.18	293.33 264.88 558.21 3,894.43	352.00 317.86 669.86 4,673.32
Tetbury Upton Cotswold District Council Parish & District Council Tax Total Including County Council & Police	210.37	4,000	12.67 105.95 118.62 1,453.11	14.79 123.61 138.40 1,695.30	16.90 141.27 158.17 1,937.48	19.01 158.93 177.94 2,179.67	23.23 194.25 217.48 2,664.04	27.46 229.57 257.03 3,148.42	31.68 264.88 296.56 3,632.78	38.02 317.86 355.88 4,359.34
Todenham Cotswold District Council Parish & District Council Tax Total Including County Council & Police	152.09	10,500	46.03 105.95 151.98 1,486.47	53.70 123.61 177.31 1,734.21	61.37 141.27 202.64 1,981.95	69.04 158.93 227.97 2,229.70	84.38 194.25 278.63 2,725.19	99.72 229.57 329.29 3,220.68	115.07 264.88 379.95 3,716.17	138.08 317.86 455.94 4,459.40
Turkdean Cotswold District Council Parish & District Council Tax Total Including County Council & Police	58.11	0	0.00 105.95 105.95 1,440.44	0.00 123.61 123.61 1,680.51	0.00 141.27 141.27 1,920.58	0.00 158.93 158.93 2,160.66	0.00 194.25 194.25 2,640.81	0.00 229.57 229.57 3,120.96	0.00 264.88 264.88 3,601.10	0.00 317.86 317.86 4,321.32
Upper Rissington Cotswold District Council Parish & District Council Tax Total Including County Council & Police	761.19	110,022	96.36 105.95 202.31 1,536.80	112.42 123.61 236.03 1,792.93	128.48 141.27 269.75 2,049.06	144.54 158.93 303.47 2,305.20	176.66 194.25 370.91 2,817.47	208.78 229.57 438.35 3,329.74	240.90 264.88 505.78 3,842.00	289.08 317.86 606.94 4,610.40
Upper Slaughter Cotswold District Council Parish & District Council Tax Total Including County Council & Police	141.86	8,670	40.75 105.95 146.70 1,481.19	47.54 123.61 171.15 1,728.05	54.33 141.27 195.60 1,974.91	61.12 158.93 220.05 2,221.78	74.70 194.25 268.95 2,715.51	88.28 229.57 317.85 3,209.24	101.87 264.88 366.75 3,702.97	122.24 317.86 440.10 4,443.56
Westcote Cotswold District Council Parish & District Council Tax Total Including County Council & Police	146.58	0	0.00 105.95 105.95 1,440.44	0.00 123.61 123.61 1,680.51	0.00 141.27 141.27 1,920.58	0.00 158.93 158.93 2,160.66	0.00 194.25 194.25 2,640.81	0.00 229.57 229.57 3,120.96	0.00 264.88 264.88 3,601.10	0.00 317.86 317.86 4,321.32
Westonbirt & Lasborough Cotswold District Council Parish & District Council Tax Total Including County Council & Police	116.09	5,465	31.38 105.95 137.33 1,471.82	36.61 123.61 160.22 1,717.12	41.84 141.27 183.11 1,962.42	47.07 158.93 206.00 2,207.73	57.53 194.25 251.78 2,698.34	67.99 229.57 297.56 3,188.95	78.45 264.88 343.33 3,679.55	94.14 317.86 412.00 4,415.46
Weston Subedge Cotswold District Council Parish & District Council Tax Total Including County Council & Police	226.49	16,150	47.54 105.95 153.49 1,487.98	55.46 123.61 179.07 1,735.97	63.39 141.27 204.66 1,983.97	71.31 158.93 230.24 2,231.97	87.16 194.25 281.41 2,727.97	103.00 229.57 332.57 3,223.96	118.85 264.88 383.73 3,719.95	142.62 317.86 460.48 4,463.94
Whittington Cotswold District Council Parish & District Council Tax Total Including County Council & Police	69.74	0	0.00 105.95 105.95 1,440.44	0.00 123.61 123.61 1,680.51	0.00 141.27 141.27 1,920.58	0.00 158.93 158.93 2,160.66	0.00 194.25 194.25 2,640.81	0.00 229.57 229.57 3,120.96	0.00 264.88 264.88 3,601.10	0.00 317.86 317.86 4,321.32

PARISH	COUNCIL TAX BASE	PARISH PRECEPT £	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
			BAND A £ p	BAND B £ p	BAND C £ p	BAND D £ p	BAND E £ p	BAND F £ p	BAND G £ p	BAND H £ p
Willersey	475.01	29,500	41.40	48.30	55.20	62.10	75.90	89.70	103.50	124.20
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			147.35	171.91	196.47	221.03	270.15	319.27	368.38	442.06
Total Including County Council & Police			1,481.84	1,728.81	1,975.78	2,222.76	2,716.71	3,210.66	3,704.60	4,445.52
Windrush	119.57	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Winson	68.63	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32
Winstone	105.74	1,750	11.03	12.87	14.71	16.55	20.23	23.91	27.58	33.10
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			116.98	136.48	155.98	175.48	214.48	253.48	292.46	350.96
Total Including County Council & Police			1,451.47	1,693.38	1,935.29	2,177.21	2,661.04	3,144.87	3,628.68	4,354.42
Withington	289.54	7,100	16.35	19.07	21.80	24.52	29.97	35.42	40.87	49.04
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			122.30	142.68	163.07	183.45	224.22	264.99	305.75	366.90
Total Including County Council & Police			1,456.79	1,699.58	1,942.38	2,185.18	2,670.78	3,156.38	3,641.97	4,370.36
Wyck Rissington	89.34	7,065	52.72	61.51	70.29	79.08	96.65	114.23	131.80	158.16
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			158.67	185.12	211.56	238.01	290.90	343.80	396.68	476.02
Total Including County Council & Police			1,493.16	1,742.02	1,990.87	2,239.74	2,737.46	3,235.19	3,732.90	4,479.48
Yanworth	52.74	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cotswold District Council			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Parish & District Council Tax			105.95	123.61	141.27	158.93	194.25	229.57	264.88	317.86
Total Including County Council & Police			1,440.44	1,680.51	1,920.58	2,160.66	2,640.81	3,120.96	3,601.10	4,321.32

TOTAL

44,456.16 5,158,845