

# Public Document Pack

## **BUDGET PROPOSALS 2025/2028**

### **2025/26 Budget and Updated MTFS**

- 1 Section 151 Officer's Section 25 Report *(Pages 3 - 10)*
- 2 Medium Term Financial Strategy 2025/26 - 2027/28 *(Pages 11 - 22)*
  - Background Papers
  - 2a Council Tax Options 2025/26 *(Pages 23 - 30)*
  - 2b Reserves Strategy 2025-2028 *(Pages 31 - 48)*
  - 2c 2025/26 Treasury Management Strategy and Policy Statement *(Pages 49 - 78)*
  - 2d 2025/26 Fees and Charges *(Pages 79 - 108)*
- 3 2025/26 Budget Recommendations *(Pages 109 - 112)*
- 4 Savings Proposals 2025-26 *(Pages 113 - 120)*
  - 4a Corporate
  - 4b Core
  - 4c Children's Services
  - 4d Growth and Sustainability
  - 4e Place Health and Adult Social Care
  - 4f Public Health and Communities
- 5 Directorate Spending Plans 2025 - 2026 *(Pages 121 - 124)*
  - 5a 2025-26 Spending Plans
  - 5b 2026-27 Spending Plans
  - 5c 2027-28 Spending Plans
  - 5d 2025-26 Schools Settlement and Delegated Budgets *(Pages 125 - 128)*
- 6 2025/26 - 2028/29 Capital Investment Programme *(Pages 129 - 146)*

This page is intentionally left blank

**BARNSELY METROPOLITAN BOROUGH COUNCIL**

**LOCAL GOVERNMENT ACT 2003 - THE S151 OFFICER'S SECTION 25  
REPORT ON THE 25/26 BUDGET PROPOSALS**

1. **Purpose of the Report**

- 1.1 To provide, in accordance with the requirements of Section 25 of the Local Government Act 2003, advice from the Authority's Chief Finance Officer (CFO) on aspects of the 25/26 budget proposals.

2. **Background**

- 2.1 Part 2 of the Local Government Act 2003 contains a series of duties and powers that give statutory support to aspects of good fiscal management within local government.
- 2.2 Section 25 requires the CFO to report to an Authority, when it is making its decision on determining the council tax, advice on the following issues:
- The robustness of the estimates included in the budget; and
  - The adequacy of the reserves the budget will provide.
- 2.3 The CIPFA Prudential Code also requires consideration to be given to the affordability and prudence of future capital investment - given its impact on the revenue budget.
- 2.4 CIPFA's Financial Management Code also highlights the importance of the budget setting framework which operates within local authorities and the legal requirements under which this sit.

3. **Advice of the Chief Finance Officer**

- 3.1 This report is based on the Budget Recommendations at **Section 3** and the financial strategy and suite of financial information set out in **Sections 2 – 6**.

***Robustness of the Estimates***

- 3.2 As Members are aware, the setting of the 25/26 revenue and capital budgets are part of the Council's Medium-Term Financial Strategy that forms the framework for the budget for the period 25-28.
- 3.3 The Council's financial strategy has sought to clearly identify the risks associated with the budget so that properly informed and prioritised decisions are made.

3.4 Whilst in general terms I feel that this has been achieved in relation to the 25/26 budget, it should be noted that several of the key risks and challenges faced by the Council are fluid and have the potential to materially impact the budget in the future, and I advise that these matters require additional oversight during the period of the MTFS.

3.5 These include but are not limited to:

**[a] The cost of Looked After Children / Children's Services has increased exponentially in the past two fiscal years.**

Given the significance to the Council's overall financial sustainability, I advise the Cabinet & SMT to ensure sufficient oversight of the Children's Placement and Sufficiency Plans.

**[b] Demand and cost for Adult Social Care.**

The impact of the increase in National Living Wage and Employer National Insurance Contributions for 25/26 will place significant upward pressure on fee levels for next year and beyond. These additional costs will exceed the available funding provided from social care grants and the proposed 2% increase in the Adult Social Care council tax precept, with the Council's own base budget and savings elsewhere required to make up the shortfall. The extent of the shortfall will be reviewed as part of the ongoing dialogue with care providers around fee levels for 25/26.

In addition, recently there has been some evidence of increased demand compounded by market failure in the Adult Social Care sector, akin to that prevalent in the Children's Social Care provider market, particularly in relation to those clients with more complex needs.

Given its material nature, Cabinet and SMT should ensure sufficient oversight of the Adult Social Care budget, and its linkages and interdependencies with the South Yorkshire Integrated Care Board, particularly given the ongoing challenges (including severe financial pressures) within the NHS.

**[c] Waste Collection & Disposal**

There is significant uncertainty in relation to both the Council's role in discharging the requirements of the Extended Producer Responsibility Scheme & the applicability of the Emissions Trading Scheme [ETS].

The funding provided by Government to meet these new burdens is underwritten by the Treasury for one year only and combined with the unknown costs to the Council of meeting these new obligations in the future, this adds considerable uncertainty over the MTFS planning period.

Separately, the Safety & Quality programme in the Domestic Waste & Recycling service will ramp up in the new year and the delivery plan put in place to ensure

its successful implementation should be monitored closely to mitigate any broader risks.

**[d] Delivering transformation / savings plans.**

Considerable progress has been made in relation to delivering savings from the Phase 1 & 2 Service Reviews and in relation to the Asset Management Strategy.

As those reviews conclude the Council will once again need to articulate more clearly what its next phase of transformation will look like, when that will take place, and how that will be resourced and delivered.

Significant investment has also been made in digital transformation but in my view there needs to be enhanced focus on defining and delivering benefits realisation, including a sharpened focus on commercial / financial return on investment.

Cabinet & SMT should therefore ensure that any planned future digital transformation programmes are appropriately resourced, and that sufficient oversight & challenge is given to ensure effective benefits realisation in line with the stated objectives.

**[f] Future funding uncertainty / sector reform.**

Although the budget for next year sets a more positive direction of travel in relation to future funding distribution, the outcome of next year's Spending Review and Local Government Multi-Year Finance Settlement is unknown.

Through SIGOMA and in its own right the Council should double down on its lobbying efforts to help in maintaining the current thinking.

In my view, regardless of the outcome this is unlikely to resolve all the Council's financial challenges.

Financial sustainability is more likely to be achieved through implementation of the long-awaited reform of Children's Social Care, Adult Social Care, SEND [including Homes to School Transport] and Homelessness.

Whilst this is welcome and clearly the right thing to do, there are no overnight solutions to these issues and I therefore expect pressures to remain in those areas, in the mid-term at least.

**Robustness of specific assumptions underpinning the 25/26 budget**

3.6 In terms of the specific estimates and assumptions which are included in the proposed 25/26 budget, I would offer the following comments:

(i) ***Council Tax Income Assumptions***

The estimates for Council Tax Income are based on a collection rate of 95.5%, in line with previous years collection performance. In addition, I have made assumptions around growth in the tax base to be achieved through a combination of new properties coming into rating and because of proposed amendments to the Council's Local Council Tax Support Scheme effective from 2025.

At this stage I have no reason to believe that these are not robust assumptions, although given the fluidity of the current macro- economic outlook, the position will need to be closely monitored during the year.

(ii) ***Business Rates Income Assumptions***

Under the current Business Rate Retention scheme, Barnsley retains 49% of the total income collected. Government have confirmed that there will be no major changes to the Business Rate System next year. However, they have indicated that the long-awaited business rate reset will take place as part of the forthcoming Spending Review & Local Government Finance multi-year settlement commencing 26/27.

This year's settlement confirmed a 1.7% increase in bills for larger businesses [those with Rateable Values > £51K]. This applies to a small number of businesses in Barnsley [around 539 / or 6% of all businesses].

For small businesses [those with Rateable Values < £51K] the multiplier was frozen, which means there will be no change to the bills for most businesses in the Borough [8,490 / 94%].

In addition, the Chancellor extended the business rate discount for retail, leisure & hospitality businesses [up to a maximum discount of £110k per business] but at a reduced level of 40% [from 75% in 24/25].

These changes impact the amount of business rate income available to fund services; and those adjustments have been factored into the budget forecast, including the assumption that equivalent compensation will be received where any reductions in income are because of Government policy.

Finally, the assumed business rate collection is 98% in line with previous year's performance. Although I consider this reasonable business rate collection is sensitive to prevailing economic conditions and as a result will need to be closely monitored during the year.

(iii) ***Pay and other Inflation Assumptions***

The pay award for the current fiscal year [24/25] was resolved in November 2024 and equated to an average 4% uplift in the Council's pay bill; within the provision made in the budget.

Pay is forecast to increase by 2.5% in 25/26 [in line with the pay body recommendations for the rest of the public sector] and then at 2.5% per annum for the remainder of the planning period to 27/28. This will be kept under review as national pay negotiations progress and to reflect any change in the longer-term economic outlook.

As set out above a provision has also been made in relation to the impact of the increase in the National Living Wage on the Council's external contracts, this having a particularly significant budgetary impact in Adult Social Care.

Finally, provision has also been made where contractual payments are linked to the Consumer Price Index or other inflationary measures; the full impact of which will be monitored during the next fiscal year.

(iv) ***Interest Rate Assumptions***

Our treasury advisors and other commentators are predicting interest rates to stabilise before gradually falling from the beginning of the next financial year [April + 2025] and over the remainder of the planning period to a predicted base rate norm of 3.5% by December 2026, though the timing and pace is always subject to change as geopolitical circumstances dictate.

In view of this, my advice is to carefully time the additional borrowing that will be required over the period to meet the identified Capital Financing Requirement and additionally limit the Council's exposure to interest rate risk by restricting the amount of the debt portfolio that may be subject to variable interest rates at any one time. This is reflected in the proposed Treasury Management Strategy which is set out in detail at **Paper 2c**. The position will continue to be closely monitored by the Treasury Management Panel with regular updates provided to Cabinet as part of the quarterly performance monitoring cycle.

(v) ***Service/ Demand Pressures***

There have been significant increases in the demand and cost for all council services during the past couple of years, those been particularly acute in Children's Social Care. These are often the consequence of systemic failure, and it is pleasing that the new Government has committed to a fundamental reform in the key areas of pressure [Children's Social Care / SEND].

However, these issues won't be resolved overnight, and I fully expect these cost pressures to continue into 25/26 and beyond and provision for this has been made within the budget and MTFs [including the full baselining of all social care grants to meet such costs on a recurrent basis].

Given the inherent risks with these assumptions, as set out above, my advice is that the Cabinet & SMT should maintain oversight of all material demand led services and, as far as they can be, be assured that relevant risks are being managed appropriately.

### ***Adequacy of Reserves***

- 3.7 **Section 2b** of the 25/26 budget proposals set out the Council's proposed reserves strategy.
- 3.8 The Council has used £34M of its own reserves to prop up the budget in the past two fiscal years [22/23, 23/24 & 24/25 \* *projected*]. As a result of our mid-term financial planning, I anticipate this trend to abate, though this will need to be closely monitored as the continued use of reserves to balance the books at any level is clearly unsustainable.
- 3.9 Therefore, the revised strategy seeks to re-emphasise that reserves shouldn't be used to balance the budget, unless as a temporary bridging strategy pending the realignment of recurrent income and expenditure.
- 3.10 Given the uncertain financial outlook last year's budget established a budget resilience reserve of £23M to assist with any bumps in the road with the Council's financial plans. Having reviewed the latest Quarter 3 finance update and in view of the improved settlement and direction of travel for the forthcoming Spending Review I consider a reduced level of £18M adequate. In my view this will provide sufficient protection pending a fuller understanding of the Spending Review and multi-year Local Government Finance Settlement which will commence from 26/27.
- 3.11 I consider this, together with the £20M Minimum Working Balance (MWB) held as a contingency for unforeseen events, appropriate to the current risk environment faced by the Council.
- 3.12 I have also undertaken an assessment of all earmarked reserves & provisions to ensure their continued validity and to make additional provision to cover known commitments where that has been necessary. I consider the current levels to be adequate subject to my comments at paragraphs 3.23 & 3.24.
- 3.13 It should also be noted that not all resources have yet been received and need to be 'banked' before being committed to future investments. I will ensure that this position is reviewed and reported through future monitoring reports. In addition, I also consider it appropriate and necessary to continually monitor reserve levels in the light of the changing circumstances facing the Council and as such, a further detailed review will be conducted as an integral part of the 24/25 accounts closure process and throughout 25/26.
- 3.14 Separately, the Council continues to progress significant external funding opportunities, working particularly closely with the South Yorkshire Mayoral



Combined Authority [SYMCA], to explore options to realise the Council's Placed Based Investment Plan ambitions through a cocktail of funding including the Council's £100M share of the South Yorkshire Renewal Fund. The Capital Investment Strategy and Capital Investment Programme (**Section 6**) provide further details on this.

### ***Prudence and Affordability***

- 3.15 The current Prudential Borrowing regime places a duty on the CFO to ensure that the budgetary impact of decisions to incur additional borrowing are affordable both in the immediate future and over the longer term.
- 3.16 Consideration of the revenue impact of all new capital schemes is therefore undertaken alongside other operational service issues to ensure that resources are allocated in accordance with the Council's priorities and within the overall resources available.
- 3.17 As Members will be aware the Council holds elevated levels of debt as compared to its statistical neighbours. This is a result of previous policy decisions, including the building of an entirely new secondary school estate and more recently the Glassworks town centre development.
- 3.18 I have previously advised caution in relation to undertaking significant additional borrowing until the risk attached to existing debt had abated. I now feel confident that position has been reached and that although maximising external funding opportunities should remain the first port of call, there is now an opportunity to reconsider our long-term borrowing plans to support the Council's Placed Based Investment Plan ambitions.
- 3.19 That said, given the increased external focus on local authority borrowing levels, any future borrowing should always be considered carefully in line with the Code's principles of prudence, affordability, and sustainability, all relevant statutory indicators and a thorough risk assessment of all financial and non-financial factors to ensure that there are no broader unintended consequences for the Council's ongoing financial sustainability.

### ***Value for Money***

- 3.20 In June 2021 the National Audit Office launched a new Code of Audit Practice, part of which required the External Auditor to undertake a significantly more in-depth review of the Council's arrangements for securing Value for Money [VFM].
- 3.21 In November 2024 the External Auditor's Annual Report did not identify any significant weaknesses in relation to the Council's arrangements for securing value for money during the 23/24 fiscal year. The External Auditor's assessment and final report in relation to the Council's 24/25 arrangements will be undertaken during 2025/26, and although I do not anticipate any major concerns being raised, I will ensure that any issues or areas for improvement are addressed appropriately.

- 3.22 In addition, work is planned in relation to further embedding the Council's 5<sup>th</sup> priority 'Enabling Barnsley' which is intrinsically aligned to the Council's legal best value duty. In my view, this aspect should feature more strongly in this work.

***Conclusion: Budget & Medium-Term Financial Strategy (MTFS)***

- 3.23 In my view, contingent upon the additional matters outlined at paragraphs 3.5 / 3.6, a balanced budget for 25/26 can be delivered through the agreement of the proposals contained at **Section 3** within these budget papers.

Whilst there is a more positive direction of travel in relation to future funding distribution and the reform of key areas of the Local Government sector is welcome, there are several moving parts, and the Council needs to be ready to respond if some of those things don't transpire as expected.

My advice to Council is therefore to exercise financial prudence, vigilance, and diligence over the planning period and specifically:

- Ensure that the CX & Executive Directors deliver, in full, the efficiency savings contained within the budget recommendations set out at **Section 3**.
  - Ensure that Executive Directors contain all expenditure within the resource envelopes recommended in this budget [unless otherwise agreed by Cabinet].
  - Agree the principle that no new additional investment will be approved unless otherwise funded from external sources or simultaneously paid for by de-prioritising spending plans elsewhere.
- 3.24 Moreover, although I consider the suggested planning framework to be sensible and sound, given the material impact of the forthcoming Spending Review & Multi-Year Local Government Finance Settlement, I further advise that a full review of the Council's financial position and strategy takes place further to the conclusion of those events.
- 3.25 **In summarising my advice, I would stress that the robustness of the estimates and adequacy of the reserves which the budget will provide are satisfactory. However, this is contingent upon the requirements outlined at paragraphs 3.5 – 3.6 and reiterated at paragraph 3.23 – 3.25 above being delivered.**

N Copley BA (HONS), CPFA  
Director Finance and S151 Officer  
January 2025

## UPDATED MTFS 2025/26 – 2027/28

### 1. PURPOSE

- 1.1 This paper provides an update to the current Medium-Term Financial Strategy (MTFS) agreed at Full Council on 29<sup>th</sup> February 2024 and extends it for a further year to 27/28 to maintain the Council's rolling 3-year planning framework.
- 1.2 The paper highlights the current financial position in 2024/25 as reported at the end of September and the ongoing impact of this on future years together with a review of the implications of the Autumn Budget and Local Government Finance Settlement. The Council's current reserves position and strategy is also provided.
- 1.3 Finally, an update is provided on the progress made on identifying the efficiency proposals required to balance the books (Service Reviews, Asset Management Strategy and other savings) and approval to the next steps in progressing the Council's Financial Strategy.

### 2. CONCLUSIONS / RECOMMENDATIONS

#### Key conclusions in 24/25 (Immediate Financial Position):

- Ongoing (permanent) cost pressures currently stand at circ. **£9.0M** in excess of the 24/25 approved budget (as at Q3), including significant pressures in Children's Social Care (£4.6M), Adult Social Care (£0.8M), Home to School Transport (£0.2M), additional waste, fleet and neighbourhood maintenance costs (£1.6M), homelessness (£0.6M) and other costs (£1.2M).
- The final 24/25 outturn will be funded by reserves specifically set aside for this purpose.

#### Recommendations

**As recommended in the Quarterly Financial Performance update, to ensure the 24/25 position does not deteriorate even further:**

- Members note the actions being implemented to curb spending during 24/25 particularly within Children's Services.

#### Key Conclusions for 25/26 onwards

- A gap of £31.1M in 25/26 pre – additional fundings received via the Local Government Finance Settlement / proposed efficiencies / Council Tax.
- This position includes the £9M ongoing cost pressures currently being experienced in 24/25, the impact of the measures set out in the 2024 Autumn Budget/Spending Review and updated 25/26 demography assumptions.
- To offset this gap, the Council is set to receive additional core funding (£16.0M) via the 2024 Local Government Finance Settlement, including an increase in the General Social Care Grant (£5.4M), new Recovery Grant (£7.9M) and other inflationary increases in core funding (£0.9M) together with funding received to partly offset the Council's cost of the changes to Employers NIC's (£1.9M).

- It is proposed to bridge the remaining gap of £15.1M (£31.1M less £16.0M) via a combination of ongoing (Phase 2) Service Review and Asset Management Strategy (£12.6M) and other savings, combined with an increase in Council Tax of 4.9% (£6.0M), leaving £3.5M for new investment priorities.
- It is therefore proposed that consideration be given to investing in the following new priorities: Great Childhood Ambition (£1.5M) and Community Enhancement (£1.5M) programmes. The remaining £0.5M is to be held as a contingency for further cost pressures that may arise over and above those provided for.
- The Director of Finance has also reviewed the budget resilience reserve set aside previously and given the improved financial position considers that £5M can now be released for one off investment priorities. It is therefore proposed to invest in a 2 year pilot to provide free bus travel for all children and young people under the age of 18.
- Subject to approval of the above the remaining gap forecast for the period 2026 – 2028 is currently forecast to be £15M.

### **Recommendations**

**In addition to the recommendation set out above for 24/25 it is further recommended that:**

- Members note the current financial position for the period 2025 – 2028 and agree to the budget recommendations set out at Section 3, specifically:
  - Providing the required investment in front line services.
  - Supporting the delivery of the proposed Phase 2 Service Reviews / AMS / other savings.
  - Support a Council Tax increase of 4.9%.
  - Support the additional investment in the Great Childhood Ambition (£1.5M) and Community Enhancement Programmes (£1.5M).
  - Supporting the release of £5M of reserves to fund a 2-year pilot to provide free bus travel for all children and young people under the age of 18.
  - Members agree that a package of business support be formulated for consideration in due course.
  - Members agree to a period of financial consolidation / stabilisation beyond 25/26, pending the outcome of 2025 Spending Review (consultation on proposed changes in Spring 2025).

## **3. BACKGROUND/CONTEXT**

- 3.1 The Council set a balanced budget for the current financial year (24/25) on the 29th February 2024, including an updated MTFS:

	24/25 £M	25/26 £M	26/27 £M
<b>Deficit (pre–Transformation Efficiency)</b>	<b>+£8.404</b>	<b>+22.117</b>	<b>+27.515</b>
<b>Service Transformation Reviews Phase 1</b>	<b>(£8.404)</b>	<b>(£8.404)</b>	<b>(£8.404)</b>
<b>Net Deficit</b>	<b>-</b>	<b>£13.713</b>	<b>£19.111</b>

3.2 The above position was based on the following assumptions:

- Provision for Pay and Contract inflation @ 4% in 24/25 and 2.5% thereafter;
- Provision for demography and demand pressures in key front-line services (Children’s SC, Adults SC, Waste and Home to School);
- Council tax increase of 4.99% in 24/25 plus growth.
- Funding baselined at 24/25 levels, uplifted for inflation.
- Reserves provision set aside to provide some (temporary) resilience.

3.3 It was also highlighted at the time that in order for this position to not deteriorate any further it was essential that:

- Directorates deliver, in full, the agreed 24/25 efficiency savings
- Executive Directors contain all expenditure within the agreed budget envelopes.
- No new additional investment be approved unless otherwise funded from external sources or simultaneously paid for by deprioritising spending plans elsewhere.

3.4 Furthermore, it was agreed that specific strategic reserves be set aside to provide additional temporary resilience in the event that the aforementioned assumptions did not unfold as expected.

## **4 WHAT’S CHANGED SINCE FEBRUARY 24**

### **Updated position in 24/25**

4.1 As reported in the Quarter 2 Finance update report as at the end of September, the Council is currently forecasting ongoing service cost pressures in the region of £9M against the approved 24/25 Budget.

4.2 The majority of these pressures are as a result of the ongoing demands and costs in Children’s Social Care (£4.8M). Work continues on the Children’s Services Financial Sustainability and Sufficiency plans to help stabilise the position moving forwards. There are also cost pressures within Adult Social Care (£0.8M), Home to School Transport (£0.2M), Waste, Fleet and Neighbourhood Services (£1.6M), Homelessness (£0.6M) and other service areas (£1.5M).

- 4.3 These cost pressures will need to be funded by drawing down of the Budget Resilience Reserve, as set aside in the 24/25 Reserves Strategy, however given these pressures will likely continue into future years they have been included in the MTFs update below.

#### **Updated position for 25/26**

- 4.4 As highlighted above a number of additional pressures have arisen during 24/25. The updated MTFs in the table below reflects these pressures together with an assessment of the impact of specific measures announced within the Autumn Budget:

<b><u>Additional Ongoing Cost Pressures</u></b>	<b><i>Original Forecast Pressures Feb 24</i></b>	<b><i>Additional Forecast Pressures Sept 24</i></b>	<b><i>Additional Forecast Pressures Feb 25</i></b>	<b><i>Total Forecast Cost Pressures 25/26</i></b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
<u>Pay</u> 4.5 Provision for the 25/26 employee pay award	<b>4.011</b>	-	<b>3.300</b>	<b>7.311</b>
<u>Looked After Children Placement Costs</u> 4.6 Whilst the numbers of Looked After Children are starting to reduce through the actions being taken as part of the Children's Practice Improvement work, the cost of placing children in residential / foster care continues to exert significant pressure on the Council's resources. Work continues to mitigate this pressure by sourcing alternative provision whilst still meeting children's individual needs.	<b>1.600</b>	<b>3.200</b>	-	<b>4.800</b>
<u>Adult Social Care provision costs</u> 4.7 The cost of care within Adult Social Care has increased as result of the requirement for more specialist provision, together with an increase in the National Living Wage / Employer National Insurance (see 4.15 below).	<b>4.317</b>	-	<b>5.900</b>	<b>10.217</b>
<u>Social Care Demography</u> 4.8 Provision set aside for increases in demand in both Adults and Children's Social Care.	-	<b>1.000</b>	<b>1.700</b>	<b>2.700</b>
<u>Home to School</u> 4.9 There continues to be an increase in contractor (transport) fees as a result of the lack of providers in the market, and numbers of children in excess of the original plan.	<b>0.500</b>	<b>0.400</b>	-	<b>0.900</b>

<u>Temporary Accommodation</u>				
4.10 Increased costs have been incurred in the Homelessness Service for the provision of temporary accommodation.	-	-	0.600	0.600
<u>Waste / Fleet / Other</u>				
4.11 Requirement for additional waste crews / fleet vehicles in order to meet Health and Safety regulations, together with a loss of income as a result of the decline in recycle markets. In addition, the Council is required to prepare for the impact on recycling as a result of the Extended Producer Responsibility.	1.200	2.000	0.500	3.700
<u>Core Services</u>				
4.12 Investment across the whole of Core Services to address ongoing contractual / inflationary pressures together with supporting the Council's future digital transformation initiatives	1.000	1.500	-	2.500
<u>Inflation / MRP</u>				
4.13 A provision has been set aside for the cost of contract inflation and an increase in the council borrowing costs (MRP)	1.385	-	-	1.385
<b><u>TOTAL COST PRESSURES</u></b>	<b>£14.013</b>	<b>£8.100</b>	<b>£12.000</b>	<b>£34.113</b>
<u>Funding Rollforward</u>				
4.14 It is assumed that funding received in 24/25 will be rolled forward (baselined) including the addition General Social Care Grant received late in the budget process.	-0.3	-2.7	-	
<b><u>BUDGET GAP PRE LG FINANCE SETTLEMENT</u></b>	<b>£13.713</b>	<b>£19.113</b>	<b>£31.113</b>	

**2024 Government Autumn Statement / Local Government Policy Statement**

- 4.15 The Chancellor of the Exchequer, in her Budget Statement on 30<sup>th</sup> October 2024, announced a number of measures that impact both directly and indirectly on the Council:
- National Living Wage will increase by 6.7% from £11.44 to £12.21.
  - Increase in the Employer NI rate to 15% and reduction in the threshold to £5,000.
  - A £1.3BN increase in Core Spending Power for Local Government split between a £680M increase in the General Social Care grant and £600M to be distributed through a recovery grant formula (see below).
  - A £1BN uplift in funding for SEND.
  - An additional £233M in 2025-26 to prevent homelessness.
  - Funding to support the introduction of Extended Producer Responsibility.
  - A number of changes to the business rates system including providing 40% relief for retail, hospitality and leisure properties and for permanently lowering their business rates from 2026-27 and freezing the small business rate multiplier for 2025-26.
  - A reduction in the UK Shared Prosperity Fund.
  - £1BN in 2025-26, to extend Household Support Fund / Discretionary Housing Payments.
  - Funding for Levelling Up Fund projects / transport-related projects.
  - The Long-Term Plan for Towns to be reformed into a new regeneration programme.
  - Introduction of a new long-term housing rent settlement of CPI+1% for 5 years, reducing Right to Buy discounts and allowing local authorities to retain 100% of receipts.
  - £500M increase to the Affordable Homes Programme for up to 5,000 additional homes.
  - £3.4BN over the next three years for the Warm Homes Plan.
  - £86M increase to the Disabled Facilities Grant.
  - Funding for transport infrastructure including £100M investment to install / upgrade cycling and walking infrastructure, £200M to accelerate the rollout of electric vehicle charging infrastructure, and £500M increase in local roads maintenance baseline funding.
  - £115M to deliver Connect to Work programmes and £240M to tackle the root causes of inactivity.

**2024 Local Government Finance Policy Statement / Finance Settlement**

- 4.16 Subsequently the Ministry for Housing, Communities and Local Government released the 2025/26 Finance Policy Statement 28<sup>th</sup> November 2024 followed by the Provisional Local Government Finance Settlement on 18th December 2024 confirming:
- A £5.4M increase in General Social Care Grant.
  - £7.9M of new funding from the Recovery Grant targeted at the most deprived councils.
  - Other Baseline funding (e.g RSG/Top Up Grant) uplifted in line with inflation.



- Council tax referendum principles set at 5% (2% Adult Social Care Precept and 3% other Core services)

4.17 In addition to the above:

- £3.9M increase in High Needs (SEND) funding.
- £0.3M to support Homelessness provision.
- £1.7M Children's Prevention Grant (specific conditions attached).
- £5.5M for the impact of extended producer responsibility (specific conditions attached).
- Carry forward of the Household support fund (provisional allocation £4.5M TBC).

## **5. Impact of the above on the 25/26 Budget and updated MTFS**

5.1 The additional cost pressures stemming from the Autumn Budget combined with the ongoing impact of the existing pressures being experienced during 24/25 and other costs that need to be considered (e.g. pay and other inflation, demography and demand in services etc) has created a gap of some £31.1M in 2025/26 before consideration of any increase in core funding.

5.2 The Local Government Finance Settlement has confirmed that core funding is set to increase overall by £16.0M in total leaving a gap of some £15.1M that requires addressing.

5.3 In line with the strategy agreed as part of the 25/26 Budget Setting process it proposed that the gap be addressed by:

1. Delivering as much efficiency through transformation as possible.
2. Identifying a series of alternative savings proposals.
3. Considering increases in council tax versus accepting increasingly more difficult savings.

### **Phase 2 Service Transformation reviews / other saving proposals**

5.4 Phase 2 of the Service Reviews have resulted in savings totaling in excess of £9M including £3M of efficiencies delivered as part of the Asset Management Strategy (bringing the total to £4M).

5.5 In addition, the Council's Senior Management Team undertook a significant amount of work during 2024/25 to identify a series of alternative savings proposals. These proposals have been prioritised based on risk and impact. Those proposals that have been considered as having little or low impact have been submitted together with all other transformation proposals for consideration. Full details of each proposal are provided in section 4, however the following table summarises the efficiencies to be delivered by each Directorate.

SUMMARY OF SAVINGS PROPOSALS	TOTAL
CORPORATE	£1,043,000
CORE	£1,642,000
CHILDRENS	£3,931,000
GROWTH & SUSTAINABILITY	£4,310,000
PLACE HEALTH & ASC	£965,000
PUBLIC HEALTH & COMMUNITIES	£715,000
<b>TOTAL</b>	<b>£12,606,000</b>

### **Council tax versus accepting increasingly more difficult savings.**

- 5.6 Given the remaining gap and continuing uncertainty, it is proposed that Members consider increasing Council Tax by 4.9%. Given the betterment in the settlement is only one-off (see below) it is therefore an important consideration in ensuring council tax income is baselined into future budgets, particularly given the outcome of the upcoming Spending Review and Local Government finance reforms are unknown at present.

### **Revised 2025/26 Budget gap**

- 5.7 Subject to approval of the above, the Council is able to balance the 25/26 budget leaving £3.5M (one-off betterment received as part LG Finance Settlement) for investment priorities to be considered by Members.
- 5.8 Therefore it is proposed that the following key initiatives be considered for investment in line with the Council Plan 2024-2027.

#### **1, Great Childhood Ambition Programme**

The Council launched the Great Childhood Ambition in July 2024, setting aside £1.6M of one-off monies to kick start the programme including bolstering GCSE Maths and English support, expanding the 'Every Child's a Coder' programme to equip young people with essential digital skills for careers in AI and automation, piloting the Children's University in local schools, and developing family hubs and expanded childcare services to further reinforce support for families at all stages. A further ongoing investment of **£1.5M** looks to build upon and continue this programme to ensure young people are empowered and that together we foster a brighter future.

#### **2. Enhancing Communities / Love Where You Live**

It is proposed to invest a further **£1.5M** in local areas to enhance communities and promote the Love Where You Live campaign, encouraging residents to take pride in their communities. This includes clean and green works and is accompanied by a £2M capital investment for small infrastructure projects (e.g. improving street furniture / allotments etc).

### 3. Economy / Support to Businesses

It has become evident that combined with the recent impacts of COVID and the cost-of-living crisis, the announcements made in the Chancellor's Autumn Budget in November 2024, including increases to the National Living Wage, National Insurance Contributions and Business Rate bill, will exacerbate pressures already being faced by Retail, Leisure & Hospitality business across the Borough.

In a free market economy all businesses ultimately need to be self-sustaining / profit making, but in so far as possible, and in order to safeguard the council's investments and jobs more broadly across the borough, it is proposed to develop a package of business support that will provide for a period of breathing space to enable businesses to properly plan for the cumulative impact of these recent changes. This will be comprised of a combination of tailored business advice and some form of financial support, details of which will be confirmed in due course.

#### **2026/27 and 2027/28 Updated Position**

- 5.9 The current position beyond 25/26 currently shows forecast funding gaps of £6.9M in 26/27 and a further £7.5M in 27/28 (£14.4M cumulatively over the period). It is proposed to review these gaps and a revised financial strategy later in 2025 following the Spending Review and Local Government Funding Reforms.

#### **6. UPDATED RESERVES STRATEGY**

- 6.1 The updated 2025 reserves strategy is presented at Section 2b within this suite of papers. In summary, as at the end of the 2023/24 financial year, total General Fund reserves stood at £219.4M, with the vast majority of these already committed to previous policy and investment decisions [e.g., major capital investment such as the Glass Works, SEAM & Principal Towns; Directorate projects and initiatives, school balances, minimum revenue provision [debt], insurances and other statutory provisions]
- 6.2 All reserves are regularly reviewed with a view to re-prioritising to ensure they are aligned to key priorities or support the broader MTFS.
- 6.3 Members will recall that reserves were set aside as part of the 2024/25 Reserves Strategy to provide one-off bridging support to the MTFS should this be required (on top of Minimum Working Balance of £20M). Following the reported 24/25 Quarter 2 financial position combined with the additional funding announced in the 2024 LG Finance Settlement, the Director of Finance proposes the release of £5M of these reserves for one-off investment priorities.
- 6.4 It is therefore proposed that these monies be used on a 2 year pilot to provide free bus travel for children and young people under the age of 18.

#### **7. REVISED MEDIUM TERM FINANCIAL FORECAST**

- 7.1 The net impact of the above cost and mitigation strategies is summarised below:

<b>INCREMENTAL CHANGES</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
<b>COST B/Fwd</b>	<b>256.639</b>	<b>281.725</b>	<b>290.006</b>
FIXED & ONGOING (Pay @ 2.5%+ Employer NI changes in 25/26),	7.311	3.611	4.200
DEMOGRAPHY & DEMAND (ASC, CSC, Home to School, Waste, Other etc)	26.802	4.670	4.670
INVESTMENTS (Great Childhood Ambition / Community Enhancement / Contingency)	3.579	-	-
<b>Total Additional Costs + Investment</b>	<b>37.692</b>	<b>8.281</b>	<b>8.870</b>
<b>2025/26 Service Transformation + other savings</b>	<b>(12.606)</b>	<b>-</b>	<b>-</b>
<b>TOTAL COSTS</b>	<b>281.725</b>	<b>290.006</b>	<b>298.876</b>
<b>INCOME B/Fwd</b>	<b>256.639</b>	<b>281.725</b>	<b>283.110</b>
Council Tax @ 4.9% in 25/26, 0% in future years + growth	6.000	1.385	1.385
Business Rates / Other Core Grant	3.463	-	-
General / Specific Social Care Grant	7.755	-	-
Recovery Grant	7.868		
<b>TOTAL INCOME</b>	<b>281.725</b>	<b>283.110</b>	<b>284.495</b>
<b>FORECAST AS AT SEPT 24 (pre- Transformation &amp; Council Tax)</b>	<b>-</b>	<b>6.896</b>	<b>14.381</b>

7.2 This position is based on the following key assumptions:

- Provision for pay awards @ 2.5% and increase in Employers NIC's in 25/26 (£7.3M).
- Provision for Contract Inflation & Interest Cost (£1.4M).
- Provision for key service pressures within Children's Social Care in 25/26 (£4.8M).
- Provision for increases in the National Living Wage and inflation in Adults Social Care in 25/26 (£10.2M).
- Provision for Social Care demography (£2.7M).
- Provision for increased cost of Home to School Transport in 25/26 (£0.9M).
- Provision for increased costs in Waste / Neighbourhood Services (£3.7M).
- Provision for increased costs in the Homelessness Service (£0.6M).
- Provision for increase costs in other services (Core etc £2.5M).
- Council Tax @ 4.9% in 25/26 (£6.0M).
- Core funding uplifted for inflation in 25/26.
- Baseline additional non-ringfenced social care grant.
- New Recovery Grant (£7.9M).
- New investment in Great Childhood Ambition / Community Enhancement (£3.0M).
- Release of £5M of reserves for new investment priorities.
- Delivery of all Phase 2 Service reviews, AMS and additional savings proposals put forward (£12.6M).

## MTFS Detailed Forecast

	FORECAST 2025/26 £m	FORECAST 2026/27 £m	FORECAST 2027/28 £m
<b>EXPENDITURE:</b>			
Revised Base Position	256.639	281.725	290.006
<b>2. Fixed and Ongoing (already reported)</b>			
Pay Award, National Insurance 1.25% increase	7.311	3.611	4.200
	7.311	3.611	4.200
<b>3. Demographic and Demand</b>			
Children's Social Care (LAC / Fostering)	4.800	0.600	0.600
Adult Social Care National Living Wage /Inflationary Increases	10.217	2.000	2.000
Childrens / Adults Demography	2.700		
Home To School - Demographics	0.900	0.500	0.500
Waste - Demographics / HWRC / Inflation/ Fleet	3.700	0.200	0.200
Homelessness	0.600		
It /Business Intelligence	2.500		
Financing Capital New Starts Programme & MRP	0.570	0.570	0.570
General Inflation	0.815	0.800	0.800
	26.802	4.670	4.670
<b>4. Investments</b>			
Demography Contingency	0.579		
Love where you Live	1.500	0.000	0.000
Childrens Enhancement	1.500		
	3.579	0.000	0.000
<b>TOTAL EXPENDITURE BEFORE EFFICIENCIES</b>	<b>294.331</b>	<b>290.006</b>	<b>298.876</b>
<b>RESOURCES:</b>			
<b>6. Core Resources</b>			
<u>Council Tax</u>			
Council Tax Income inc Base	119.619	127.004	128.389
Council Tax Collection Fund Surplus	3.572	1.645	1.645
	123.191	128.649	130.034
<u>Business Rates Retention (BRR) scheme</u>			
Local Share - Business Rates (net 50% share)	31.987	32.887	32.887
Business Rate Surplus	1.500	1.500	1.500
S31 Grant for 2% Capping - Local Share	6.910	7.410	7.410
Local Share - Top Up Grant	33.846	34.092	34.092
S31 Grant for 2% Capping - Top Up	2.664	2.836	2.836
Revenue Support Grant (RSG)	16.203	16.750	16.750
	93.110	95.475	95.475
<u>S31 Grant</u>			
Services Grant /Recovery Grant		7.868	7.868
Service Grant	0.760	0.000	0.000
Employers NI		1.900	1.900
	0.760	9.768	9.768
<u>Additional Changes</u>			
IBCF	3.350	3.350	3.350
Public Health Grant	0.300	0.300	0.300
BCF Inflation	0.800	0.800	0.800
BCF Discharge Monies	3.143	3.143	3.143
Market Sustainability Grant	5.418	5.418	5.418
Social Care grant	27.067	34.822	34.822
	40.078	47.833	47.833
Reserves			
<b>Core Resources b/f</b>	<b>257.139</b>	<b>281.725</b>	<b>283.110</b>
<b>SHORTFALL PRE-INCREASE IN FUNDING</b>	<b>37.192</b>	<b>8.281</b>	<b>15.766</b>
<b>7. Change in Resources</b>			
<u>Council Tax</u>			
Council Tax increase in tax base @ 800	1.385	1.385	1.385
Council Tax increase (@ 4.99% in 25/26, 2% thereafter)	6.000	0.000	0.000
One off Council Tax Collection Fund	-1.927		
	5.458	1.385	1.385
<u>Business Rates Retention (BRR) scheme</u>			
Local Share Business Rate Growth (£3.0M) / Multiplier 4%	0.900	0.000	0.000
Business Rates Top Up Grant	0.246	0.000	0.000
S31 Multipler Cap	0.672	0.000	0.000
Business Rates Surplus	0.000	0.000	0.000
Changes to RSG	0.547	0.000	0.000
	2.365	0.000	0.000
<u>Other Specific Funding</u>			
General Services Grant	-0.760		
Recovery Grant	7.868	0.000	0.000
Employers NI Funding	1.900	0.000	0.000
Childrens Prevention Grant	0.000	0.000	0.000
General Social Care Grant	7.755	0.000	0.000
	16.763	0.000	0.000
<b>TOTAL RESOURCES</b>	<b>281.725</b>	<b>283.110</b>	<b>284.495</b>
<b>NET SHORTFALL (CUMMLATIVE)</b>	<b>12.606</b>	<b>6.896</b>	<b>14.381</b>
<b>9. Efficiency Proposals</b>			
Phase 2	-12.606		
<b>Shortfall after efficiencies</b>	<b>0.000</b>	<b>6.896</b>	<b>14.381</b>

This page is intentionally left blank

**BARNSELY METROPOLITAN BOROUGH COUNCIL****2025/26 COUNCIL TAX OPTIONS****1. Introduction**

1.1 This report considers the calculation and options for setting Council Tax levels for 2025/26.

**2. Basis of Council Tax Calculation**

2.1 The following stages are involved in determining options for setting the Council Tax:

- 1) Determining the Council Tax base;
- 2) A review of past performance in collecting Council Tax;
- 3) Identifying the potential impact on the Council's Medium Term Financial Strategy of various Council Tax increases; and
- 4) Options for setting the Council Tax in the context of national and local policy.

***Step 1 – Determining the council tax base***

2.2 The Council Tax Base represents the estimated number of chargeable dwellings in the area, expressed in terms of Band D equivalent properties after allowing for disabled persons relief, discounts and other statutory adjustments.

2.3 The calculation of the tax base is further complicated by the Government's Local Government Finance reforms that took effect from 1<sup>st</sup> April 2013. These changes are summarised below.

***Technical Changes to Council Tax***

2.4 Since 2013/14, local authorities have been afforded discretion to charge Council Tax on second homes and empty properties. The Council's policy from 1<sup>st</sup> April 2025 is as follows:

- A 100% council tax charge will be applied to both unoccupied furnished and unfurnished properties that have been empty or unoccupied for less than one year.
- A discount of 25% to be applied to properties that are vacant and undergoing repair or major structural alterations for up to 12 months, or 6 months after the completion of works, whichever is shorter.
- A discount of 8.3% (1 month) to be applied to properties that are vacant from the date the property becomes empty. This discount is only available to landlords of rented accommodation.
- An additional 100% premium will be charged on properties that are substantially furnished but are no one's sole or main residence, e.g. a 'second home' after one year of becoming vacant.
- An additional 100% premium to be charged on properties that have been empty and substantially unfurnished for more than one year.

- A 200% premium to be charged on properties which have been empty and unfurnished for more than five years; and
- A 300% premium to be charged on properties which have been empty and unfurnished for more than ten years.

2.5 The Levelling Up and Regeneration Act 2023 gave local authorities the powers to charge the additional 100% (or a 200% council tax charge) for second properties after the local authority had given 12 months' notice of their intention to implement the premium. Cabinet members approved this decision in January 2024 (Cab.10.1.2024/7). The additional 100% premium will automatically be added to the 2025/26 Council Tax bill from 1<sup>st</sup> April 2025 where the second property has already been unoccupied for more than one year on that date or it will be added after a period of 12 months has lapsed.

2.6 The table below demonstrates when the additional premiums will become payable.

Empty Period	Furnished or Unfurnished	Additional Premium	Total Council Tax Charge
Up to 1 year	Both	0	100%
1 year and over	Furnished	100%	200%
1 to 5 years	Unfurnished	100%	200%
5 to 10 years	Unfurnished	200%	300%
10 years and over	Unfurnished	300%	400%

2.7 The 2025/26 Council Tax Base report approved in January 2025 (Cab.08.01.2025/8 refers) set a tax base of 67,612.19.

### ***Step 2 - Review of performance in collecting council tax***

2.8 Cabinet receive regular updates in relation to Council Tax collection. Despite the ongoing cost-of-living crisis collection rates have remained relatively static over the last few years.

2.9 As at the end of December 24, the forecast collection rate for 2024/25 stood at 96.00% which remains above the estimated 95.5% collection rate. Collection rates will continue to be closely monitored throughout 2025/26 with updates reported to Cabinet as appropriate.

### ***Step 3 – Potential Council Tax Yields 2025/26***

2.10 Table 1 below provides information on the estimated yields that could be generated based on the currently estimated Council Tax base and different levels of Council Tax increase.

**Table 1 – Council Tax Options (2025/26)**

% Increase	0% £M	1.00% £M	2.00% £M	2.50% £M	2.90% £M	3.50% £M	3.90% £M	4.50% £M	4.90% £M	4.99% £M
Council Tax Income	121.072	122.282	123.493	124.099	124.583	125.309	125.794	126.52	127.004	127.113
Collection Fund Surplus	1.645	1.645	1.645	1.645	1.645	1.645	1.645	1.645	1.645	1.645
Total Council Tax Income	122.717	123.927	125.138	125.744	126.228	126.954	127.439	128.165	128.649	128.758



- 2.11 Each 1% increase in the Band D Council Tax generates additional income of approximately **£1.2M** per annum recurrently (0.5% = £0.6M).
- 2.12 Table 2 provides an analysis of the impact of the various increases on council tax bills for council services for each band.

**Table 2 – Indicative 2025/26 Council Tax Levels for BMBC Services**

<b>% Increase</b>	<b>0.00%</b>	<b>1.00%</b>	<b>2.00%</b>	<b>2.90%</b>	<b>3.50%</b>	<b>3.90%</b>	<b>4.50%</b>	<b>4.90%</b>	<b>4.99%</b>
Band A-	994.82	1,004.77	1,014.72	1,023.67	1,029.64	1,033.62	1,039.59	<b>1,043.56</b>	1,044.46
Band A	1,193.79	1,205.73	1,217.67	1,228.41	1,235.57	1,240.35	1,247.51	<b>1,252.28</b>	1,253.36
Band B	1,392.75	1,406.68	1,420.61	1,433.14	1,441.50	1,447.07	1,455.42	<b>1,460.99</b>	1,462.25
Band C	1,591.71	1,607.63	1,623.54	1,637.87	1,647.42	1,653.79	1,663.34	<b>1,669.70</b>	1,671.14
Band D	1,790.68	1,808.59	1,826.49	1,842.61	1,853.35	1,860.52	1,871.26	<b>1,878.42</b>	1,880.03
Band E	2,188.61	2,210.50	2,232.38	2,252.08	2,265.21	2,273.97	2,287.10	<b>2,295.85</b>	2,297.82
Band F	2,586.54	2,612.41	2,638.27	2,661.55	2,677.07	2,687.42	2,702.93	<b>2,713.28</b>	2,715.61
Band G	2,984.47	3,014.31	3,044.16	3,071.02	3,088.93	3,100.86	3,118.77	<b>3,130.70</b>	3,133.40
Band H	3,581.36	3,617.18	3,652.98	3,685.22	3,706.70	3,721.04	3,742.52	<b>3,756.84</b>	3,760.06

- 2.13 The majority of households in Barnsley are Band A or Band B properties. Based on the table above each 1% increase in Council Tax equates to an annual increase of approximately £12 (23p per week) for a Band A property and £14 (27p per week) for a Band B property.
- 2.14 However, it should be noted that the final overall Council Tax increase for properties in the Borough will depend on the precepts levied by the Police and Fire Authorities. These amounts are currently being finalised by the respective authorities.
- 2.15 It should also be noted that properties situated within a Parish Council area will have an additional precept levied. This information is still being collected, and it is not possible to provide an estimate. There were no restrictions or referendum limits imposed on parish or town councils in 2025/26. Any additional charges will be set out in the Council Tax Resolution paper which will be presented to members at the Budget Meeting, Full Council on 27 February 2025.

#### ***Step 4 – Options for setting council tax in the context of national and local policy***

##### **Options for 2024/25**

##### ***Council Tax Referendums and Council Tax Capping***

##### **General Services**

- 2.16 Schedule 5 of the Localism Act introduced a new chapter into the 1992 Local Government Finance Act, making provision for Council Tax referendums to be held if an authority increases its Council Tax by an amount exceeding the principle determined by the Secretary of State and agreed by Parliament.
- 2.17 The Council Tax for general (core) services threshold is 3% before the requirement to hold a referendum. There remains the option to increase core Council Tax above 3% subject to holding a referendum (and/or receiving Secretary of State approval). The cost of holding a

referendum is estimated to be around £0.5M so any additional income received for increases above 3% would be needed to cover this cost.

### ***Additional Flexibility for Adult Social Care Pressures***

2.18 Since 2016 Government have allowed further flexibilities to local authorities around the Adult Social Care (ASC) precept. This flexibility is offered in recognition of the increasing demand and cost for ASC services.

2.19 The Council has the option to increase the ASC precept by 2% for 2025/2026.

2.20 Table 3 below provides an analysis of the impact of an additional 4.90% increase (2% for ASC plus 2.90% for Core Service) on Council Tax bills across each charging band.

**Table 3 – Indicative 2025/26 Council Tax Levels at a 4.90% increase**

Increase	0.00%	ADULT SOCIAL CARE PRECEPT		GENERAL INCREASE		CUMULATIVE INCREASE		2025/26 TOTAL	
		2.00%		2.90%		4.90%			
BAND	Annual Charge £	Annual Increase £	Weekly Increase £	Annual Increase £	Weekly Increase £	Annual Increase £	Weekly Increase £	Annual Cost £	Weekly Cost £
Band A-	<b>994.82</b>	19.89	0.38	28.85	0.56	<b>48.74</b>	0.94	1043.56	20.07
Band A	<b>1193.79</b>	23.87	0.45	34.62	0.67	<b>58.49</b>	1.12	1252.28	24.08
Band B	<b>1392.75</b>	27.85	0.53	40.39	0.78	<b>68.24</b>	1.31	1460.99	28.10
Band C	<b>1591.71</b>	31.83	0.61	46.16	0.89	<b>77.99</b>	1.50	1669.70	32.11
Band D	<b>1790.68</b>	35.81	0.69	51.93	1.00	<b>87.74</b>	1.69	1878.42	36.12
Band E	<b>2188.61</b>	43.77	0.84	63.47	1.22	<b>107.24</b>	2.06	2295.85	44.15
Band F	<b>2586.54</b>	51.73	1.00	75.01	1.44	<b>126.74</b>	2.44	2713.28	52.18
Band G	<b>2984.47</b>	59.68	1.15	86.55	1.66	<b>146.23</b>	2.81	3130.70	60.21
Band H	<b>3581.36</b>	71.62	1.38	103.86	2.00	<b>175.48</b>	3.38	3756.84	72.24

2.22 Taking the proposed increases of South Yorkshire Police and Fire Authority precepts which is in addition to the proposed 4.9% increase for BMBC services, the overall average percentage increase would be 5.02%.

### Local Council Tax Support Scheme

2.23 The Local Council Tax Support Scheme (LCTS) was introduced in 2013. Funding for the scheme forms part of the overall resources allocated to the Council as part of the Local Government Finance Settlement.

2.24 The current scheme was introduced in April 2020, and it uses 4 income bands applied to different household circumstances / compositions. Each income band receives a specified percentage reduction off the council tax liability for the forthcoming year.

2.25 It is good practice to regularly review the scheme to ensure that it continues to provide the right level of support, considers local circumstances and that it is financially sustainable into the future. Following a fundamental review in 2024 and a public consultation in Autumn 2024, the Council approved 5 amendments to the 2020 scheme, which are.

1. A new protected band for claimants with a disability and no earnings.
2. The earnings disregard will be increased from £25.00 to £30.00 per week.
3. The capital limit will be reduced from £10,000 to £6,000.
4. A non-dependent deduction of £7.50 per week will be introduced where the non-dependant earns over £200.00 per week.
5. The amount of support awarded to each band to be reduced as detailed in the table below:

Band	Current	From April 2025
1 Protected	92.8%	90%
1	92.8%	85%
2	83.1%	70%
3	61.4%	50%
4	37.25%	25%

2.26 The income considered in assessing eligibility for LCTS is attached at Appendix 1 – this being applied to the banding structure below to determine the overall level of support awarded.

Band	Single Weekly Income		Couple Weekly Income		Family 1 Child Weekly Income		Family 2+ Children Weekly Income	
	From	To	From	To	From	To	From	To
1 Protected	£0.00	£92.34	£0.00	£144.95	£0.00	£229.61	£0.00	£314.27
1	£0.00	£92.34	£0.00	£144.95	£0.00	£229.61	£0.00	£314.27
2	£92.35	£137.08	£144.96	£189.69	£229.62	£274.35	£314.28	£359.01
3	£137.09	£181.82	£189.70	£234.43	£274.36	£319.09	£359.02	£403.75
4	£181.83	£226.56	£234.44	£279.17	£319.10	£363.83	£403.76	£447.69

2.27 The table below shows the estimated amount each claimant will pay per year for Band A and B, as they comprise the majority of claimants.

CTAX Band	Band 1 Protected	Band 1	Band 2	Band 3	Band 4
-----------	------------------	--------	--------	--------	--------

## SECTION 2a

	A	B	A	B	A	B	A	B	A	B
2025/26 Bill*	£1,489.01	£1,737.19	£1,489.01	£1,737.19	£1,489.01	£1,737.19	£1,489.01	£1,737.19	£1,489.01	£1,737.19
Discount	£1,340.11	£1,563.47	£1,265.66	£1,476.61	£1,042.31	£1,216.03	£744.51	£868.59	£372.25	£434.30
<b>Revised annual bill</b>	<b>£148.90</b>	<b>£173.72</b>	<b>£223.35</b>	<b>£260.58</b>	<b>£446.70</b>	<b>£521.16</b>	<b>£744.51</b>	<b>£868.59</b>	<b>£1,116.76</b>	<b>£1,302.89</b>
Average Weekly Charge	<b>£2.86</b>	<b>£3.32</b>	<b>£4.30</b>	<b>£5.01</b>	<b>£8.59</b>	<b>£10.02</b>	<b>£14.32</b>	<b>£16.70</b>	<b>£21.48</b>	<b>£25.06</b>
Average Revised % Discount	<b>90%</b>		<b>85%</b>		<b>70%</b>		<b>50%</b>		<b>25%</b>	

\*includes an assumed council tax increase for South Yorkshire Police (£14) and South Yorkshire Fire (£5).

### **Conclusion**

2.29 In considering any council tax increase for 2025/26 Members will need to give careful consideration as to whether to:

- Increase Council Tax over and above the referendum cap and hold a referendum.
- Increase Council Tax up to the existing 3% referendum cap for general (core) services (proposal to increase by 2.90%) or apply to the Secretary of State.
- Take the opportunity to increase the ASC precept by 2% to fund Adult Social Care pressures.
- Note the amendments made to the Local Council Tax Support Scheme.

**Local Council Tax Support Eligibility Criteria**

<b>Type of Income Source claimant received</b>	<b>Included or disregarded</b>	<b>Amount disregarded</b>
Passported benefits (Jobseekers Allowance income-based, Employment Support Allowance income-related, Income Support)	Disregarded	All income received by applicants receiving passported benefits are disregarded
Jobseekers Allowance Contribution-based (JSA C)	Included	None
Employment Support Allowance Contribution-based (ESA C)	Included	None
Work Related Activity Component of ESA C	Included	None
Support Component of ESA C	Disregarded	Fully disregarded
Carers Allowance	Disregarded	Fully disregarded
Disability Living Allowance (DLA)	Disregarded	Fully disregarded
Personal Independence Payment (PIP)	Disregarded	Fully disregarded
Attendance Allowance	Disregarded	Fully disregarded
Armed Forces Independence Payment	Disregarded	Fully disregarded
Severe Disablement Allowance	Disregarded	Fully disregarded
Bereavement Support Payment	Disregarded	Fully disregarded
Guardians Allowance	Disregarded	Fully disregarded
Child Benefit	Disregarded	Fully disregarded
Child Maintenance	Disregarded	Fully disregarded
DLA/PIP paid for a child	Disregarded	Fully Disregarded
Child Tax Credit	Included	None
Working Tax Credit	Included	None
Industrial Injuries Benefit	Included	None
Statutory Maternity/Paternity/Adoption Allowance	Included	None
Statutory Sick Pay	Included	None
Earned income	Partial	£30 per week
Self-employed Earnings (Minimum Income Floor applies for self-employed earners)	Partial	£30 per week
Occupational/Private Pensions	Included	None
State Retirement Pension	Included	None
War Pensions	Disregarded	Fully disregarded
Student Finance	Partial	£693 per year plus £10 per week
Income from boarders/lodgers	Partial	£20 per week
<b>Universal Credit:</b>		
Standard Allowance	Included	None
Child Element	Included	None
Disabled Child Element	Disregarded	Fully Disregarded
Housing Element	Disregarded	Fully Disregarded
Limited Capacity for Work	Included	None
Limited Capability for Work Related Activity	Disregarded	Fully Disregarded
Child Care Element	Disregarded	Fully Disregarded
Earned Income assessed by Universal Credit	Included	None
Unearned income assessed by Universal Credit	Included	None

This page is intentionally left blank

**RESERVES STRATEGY 2025 - 2028****1. Purpose of Report**

- 1.1 This report sets out the Council's Reserves Strategy for the period of the MTFS [2025/26 to 2027/28].
- 1.2 Under the 2003 Local Government Act, the Council's statutory finance officer (S151 officer) is required to give a statement to Budget Council on the adequacy of reserves. In addition, the Chartered Institute of Public Finance and Accountancy's (CIPFA) Financial Management Code recognises that it is good practice for a council to operate with a level of reserves appropriate to the risks to which it is exposed.
- 1.3 The Reserves Strategy supports longer-term financial stability and mitigates the potential impact of future events or developments which may cause financial difficulty and allows the Council to address unexpected or unplanned pressures. Furthermore, general and useable reserves are also a key measure of the financial resilience of the Council, and they are used by MHCLG and CIPFA to measure a Council's financial performance and stability.
- 1.4 The report provides:
- i) the Council's reserves strategy,
  - ii) an updated reserves position,
  - iii) a list of the existing commitments / investments to be funded from reserves and
  - iv) the level of uncommitted reserves along with a recommended approach for their use.

**2 Recommendations**

- 2.1 **Agree the strategies key principle that ongoing spending requirements must be matched with ongoing income.**
- 2.2 **Note the updated reserves position shown in Table 1 including anticipated future resources [Appendix 1 refers].**
- 2.3 **Note the existing commitments summarised in Table 2 and described throughout Section 4 of this report [Appendices 2 - 6 refer].**
- 2.4 **Note that reserves (£18M) have been set aside to provide one-off bridging support to the MTFS should that be required.**
- 2.5 **Note that a General Fund Minimum Working Balance of £20M be also held as a contingency for unforeseen events / emergency situations.**

### 3 **Background**

#### Reserves Strategy

- 3.1 The Medium-Term Financial Strategy (MTFS) is the key strategy that ensures the Council is financially resilient, stable and sustainable for the future and that the use of resources represents good value for money. An essential part of this is a robust policy on the level and nature of reserves. In establishing and approving the MTFS, the Council will ensure that it maintains a prudent level of reserves in line with best practice.
- 3.2 Legislation requires that safeguards are in place to prevent the Council over committing itself financially including:
- A balanced budget as required by the Local Government Act 1992
  - The S151 officer's duty to report on the robustness of estimates and adequacy of reserves when the Council is considering the budget requirement
  - The S151 officer's duty to make arrangements for the proper administration of the Council's financial affairs
  - The External Auditor will consider whether adequate arrangements are in place to ensure that the financial position is sound.
- 3.3 The Council sets aside specific amounts, usually as result of previous years' underspends or slippage, as reserves to support approved spending plans and the Council's financial strategies.
- 3.4 One of the key components of the reserves strategy is to maximise balances and one-off resources. This is achieved through a range of strategies and activities including:
- Directorates managing within agreed resources, and where possible managing and delivering underspend's which can be re-invested into new priorities.
  - The ongoing budget and transformation proposals include the development of a refreshed Asset Management Strategy to ensure value for money in the use of the Council's significant asset portfolio. An element of this will use the proceeds from the disposal of assets [capital receipts] to reduce the need to incur additional debt financing costs.
  - Implementing other strategies (e.g., External Funding, Commercial, Digital Barnsley) to ensure the Council maximises and efficiently uses its available resources and in turn 'frees up' cash for one off investments.
- 3.5 The Council's prudent approach to budgeting ensures that it is able to operate with a level of reserves appropriate to the identified risks. Therefore, it can be regarded that the reserves are not only adequate but are also necessary.



- 3.6 The Council's strategy for using reserves to deliver the objectives outlined in the MTFS [Section 2] and Capital Investment Strategy [Section 6] is based on the clear principle that ongoing spending requirements must be matched with ongoing income. As such, reserves should only be used as a temporary bridging strategy to achieve this end and in addition should only be used in exceptional circumstances.
- 3.7 The Council continues to face significant financial pressures. Growing demand and the increase in the cost of services continues to add pressures to the Council's budget. The ongoing national macro-economic picture, inflation, high interest rates, wage growth and national sector specific issues such as workforce and provider shortages in adults and particularly children's social care all place a significant strain on the Council's resources.
- 3.8 This has resulted in cost pressures of £28M over the past 2 financial years with a current forecast of cost pressures in the region of £6M [£9M gross less one-off underspends of £3M] for 2024/25. However, unlike in previous years, this overspend can be addressed via the receipt of one-off budgeted grant monies received during 2024/25.
- 3.9 The Reserves Strategy classifies reserves within the following categories:
- Setting aside sums required by statute (e.g., Minimum Working Balance).
  - Repayment of future debt obligations.
  - Investing in priority development / regeneration schemes.
  - Investing in 'one off' expenditure that delivers ongoing efficiencies / service improvement e.g., the Council's Transformation & Service Review programme.
  - Setting aside provisions to fund one off service pressures / commitments (e.g., insurance liabilities).

#### Updated Reserves Position

- 3.10 In view of the Council's financial challenges, a fundamental review of all existing earmarked reserves has been undertaken. This has succeeded in ensuring that reserves are maintained at a prudent level and there is sufficient resources to meet future commitments.
- 3.11 An extension of the MTFS planning period to 2027/28 has also been reflected in the revised position.
- 3.12 Table 1 summarises the Council's reserves and balances as of 1 April 2024 along with assumptions around future resources. The position is in line with the Council's 2023/24 audited Statement of Accounts (SOA). A full breakdown of projected future resources is also provided at Appendix 1.

**Table 1: Total Available Resources 2024/25 to 2027/28 (as of 1 April 2024)**

	1 <sup>st</sup> April 2024	Anticipated Future Resources	Total Balances
	£M	£M	£M
Reserves	219.370	-	219.370
Grants & Contributions	114.343	61.720	176.063
Prudential Borrowing	22.129	-	22.129
Capital Receipts	6.826	-	6.826
<b>Sub Total – General Fund</b>	<b>362.668</b>	<b>61.720</b>	<b>424.388</b>
Reserves	89,945	-	89.945
Grants & Contributions	-	-	-
Prudential Borrowing	-	-	-
Capital Receipts	-	-	-
<b>Sub Total – Housing Revenue Account</b>	<b>89.945</b>	<b>-</b>	<b>89.945</b>
<b>GRAND TOTAL</b>	<b>452.613</b>	<b>61.720</b>	<b>514.333</b>
	SOA	Appendix 1	

#### Future Anticipated Resources

- 3.13 The Council prudently estimates the resources that are expected in future periods. They are either earmarked to fund current commitments or are available for future investment.
- 3.14 Long-Term Gainshare:

South Yorkshire Mayoral Combined Authority (SYMCA) has allocated Long-Term Gainshare funding across the four South Yorkshire authorities as part of the Government's devolution deal. The monies have been made available from the 2024/25 financial year over a 26-year period. For Barnsley, this equates to a combined allocation of over £100.6M comprising; £60.3M in capital allocations; and £40.3M in revenue.

It is anticipated that Gainshare will be utilised to support the Council's ambitions to further transform Barnsley town centre. Gainshare investment will specifically contribute to the capital costs of providing health and well-being facilities at the Alhambra Centre in conjunction with health partners. Resources will also be used to support the wider commercial strategy to facilitate increased footfall in the town centre by stimulating the local retail economy.

- 3.15 Long-Term Plan for Towns (LTPT)

The Long-Term Plan for Towns was announced in October 2023. However, in the Autumn Statement 2024, the Government confirmed that this fund is to be reformed as part of a wider review of economic policy. £20M was awarded to the Council to fund socio-economic opportunities and challenges within the town centre. Barnsley Council will be allocated approximately £15M in capital funding and £5M in revenue

funding over a 10 year period. Further information is awaited on the timing of this funding.

### 3.16 Other grants

During this reporting period (to 2027/28), a further £61.7M of funding from SYMCA and the LTPT has been provisionally agreed [included in the Table 1].

### 3.17 Housing

As part of the HRA business planning process, resources are earmarked annually from the HRA to invest in the Council's housing stock, thereby maintaining the Barnsley Homes Decency Standard.

The HRA business plan also includes a New Build and Acquisitions programme funded from capital receipts and borrowing totalling £42.9M.

3.18 These resources are shown in Appendix 1 to this report.

## 4 Current Use of Reserves

4.1 As shown at Table 1, the total level of reserves and balances available through to 2027/28 is estimated at £469.5M. However, previous Council decisions have already committed the majority of this funding.

4.2 The following table shows how resources are currently committed with further detail provided in Appendices 2 to 5.

**Table 2: Current Allocation of Available Resources 2025/26 to 2027/28 (as of 1 April 2024)**

	Earmarked Under Statute	Grant Funding/ Service Specific	Capital Priorities	Budget Mitigation Future	Minimum Working Balance	Available for Investment	TOTAL
GENERAL FUND	£M	£M	£M	£M	£M	£M	£M
Reserves GF	53.794	71.069	51.507	18.000	20.000	5.000	219.370
Grants & Contributions	-	-	114.343	-	-	-	114.343
Prudential Borrowing	-	-	22.129	-	-	-	22.129
Capital Receipts	-	-	6.826	-	-	-	6.826
<b>TOTAL</b>	<b>53.794</b>	<b>71.069</b>	<b>194.805</b>	<b>18</b>	<b>20.000</b>	<b>5.000</b>	<b>362.668</b>
<i>Paragraph</i>	<i>4.3</i>	<i>4.4</i>	<i>4.5</i>	<i>4.6</i>	<i>4.7</i>	<i>4.8</i>	
<b>HRA</b>			<b>£M</b>			<b>£M</b>	<b>£M</b>
Reserves			82.945			7.000	89.945
<b>TOTAL</b>			<b>82.945</b>			<b>7.000</b>	<b>89.945</b>

Resources Earmarked under Statute

- 4.3 Certain resources are required to be earmarked under statute or are recommended to support good financial practice. Table 3 (Appendix 2) provides a summary:

**Table 3 Resources required to be earmarked under statute**

Investment	£M	Description
Capital Financing	22.9	Resources earmarked in accordance with the agreed Treasury Management Strategy (e.g. MRP).
Transformation	5.7	Resources set aside to support the Council's Transformation Programme.
Budget Mitigation / Organisational Re-design	10.0	Reserves set aside to fund costs (e.g. redundancy & pensions) associated with the MTFS.
Insurance Fund	6.8	Resources earmarked in accordance with the Council's Insurance Strategy.
Other specific	8.4	Reserves set aside for specific purposes (e.g. business rates relief).
<b>TOTAL</b>	<b>53.8</b>	

Specific Grants / Ringfenced Service Resources

- 4.4 The Council receives a number of specific ringfenced grants from various sources which can only be spent on the priorities for which they were awarded (for example DSG safety valve monies / school balances). Table 4 provides a breakdown by Directorate with a full list provided at Appendix 3.

**Table 4: Specific Grants / Ringfenced Service Resources**

Investment	Amount £M	Description
Children's Services	11.2	Resources set aside for specific priorities or projects within Children's Services including school balances.
Growth and Sustainability	4.8	Resources set aside for specific priorities or projects within Growth and Sustainability including Adult Skills funding.
Place, Health & Adult Social Care	11.6	Resources set aside for specific priorities or projects within Place, Health & Adult Social Care including monies earmarked as part of the Integrated Care Plan.
Public Health & Communities	6.5	Resources set aside for specific priorities or projects within Public Health & Communities including monies set aside for the Public Health Four Year Plan.
Core Services	11.9	Resources set aside for specific priorities or projects within Core Service including monies set aside for BSF/PFI future costs.
Corporate Budgets	25.1	Corporate resources set aside including SEND deficit support.
<b>TOTAL</b>	<b>71.1</b>	

Resources Earmarked for Capital Investments

4.5 Cabinet has previously approved capital investment funded from reserves. Such investments include the Glassworks with other notable schemes set out in Table 5 and a full list provided at Appendix 4.

**Table 5: Earmarked for Capital Commitments/Investment (as of 1<sup>st</sup> April 2024)**

<b>Investment</b>	<b>Amount £M</b>	<b>Description</b>
Schools Capital Grants	5.0	Resources available for repairs and improvements within schools
Disabled Facilities Grant	4.5	Grants available for the adaptation of residents' homes
Active Travel	6.5	Various projects across the borough including A61 Wakefield Road Improvement Works and Bus Rapid Transport Scheme
Glassworks	10.5	This amount reflects the remaining resources set aside to fund completion of the development.
Towns - Goldthorpe	16.4	Grant Resources relating to the Towns Fund deal at Goldthorpe
Health on the High Street	18.3	Resources for the development of the Alhambra
Goldthorpe Master Planning	2.2	
The Seam	6.1	Resources set aside to for Development of The Seam
Principal Towns	9.2	Remaining resources set aside to complete the Principal Towns Programme
Youth Zone	4.8	Council contribution towards the build of a Youth Zone
Additional Highways Programme	43.6	Resources set aside for additional works on the highways, over and above monies received from SYMCA
Affordable Warmth	1.4	Monies set aside for the continuation of the Affordable Warmth Programme, assisting residents in energy efficiency e.g. boilers / insulation etc
LUF - Youth Place & Space	5.4	Levelling Up Funding for the creation of facilities for young people in Barnsley town centre
LUF - NAVE	4.5	Levelling up Funding for the creation of the Northern Academy for Vocal Excellence
LRP Carriageways	4.6	
Economic Regeneration	0.6	
Digital Skills Road Map	8.8	
Other	42.5	Various other capital priorities
<b>Sub Total General Fund</b>	<b>194.8</b>	

Decency Works 2024/25	26.8	2024/25 Decency works
Fire Safety Works	1.2	
Goldthorpe Towns Fund	3.0	
Empty Homes	3.5	
Other Housing Priorities	48.5	Various Housing development scheme including the Council's new build programme
<b>Sub Total Housing</b>	<b>82.9</b>	
<b>TOTAL</b>	<b>277.7</b>	

#### Minimum working balance

- 4.6 The Council is required to set aside a minimum working balance as a contingency for unforeseen events that may occur. The Council's current balance is equivalent to 7% of the proposed 2025/26 net General Fund budget and 9% of the Housing Revenue Account (HRA).

**Table 6: Minimum Working Balance (as of 1<sup>st</sup> April 2024)**

Investment	Amount £M	Description
<b><u>General Fund</u></b>		
Minimum Working Balance	20.0	Minimum working balance set aside as a contingency for unforeseen events.
<b>Sub Total – General Fund</b>	<b>20.0</b>	
<b><u>Housing Revenue Account</u></b>		
Minimum Working Balance	7.0	Minimum working balance set aside as a contingency for unforeseen events.
<b>Sub Total - Housing</b>	<b>7.0</b>	
<b>TOTAL</b>	<b>27.0</b>	

#### Reserves Available for Investment

- 4.8 A review of reserves, specifically the amounts previously set aside to provide temporary support to the Council's MTFS, has concluded that £5.0M can be released for investment priorities.

#### Conclusion

- 4.9 The Council's reserves and balances position remains healthy over the life of the MTFS. These reserves have all been earmarked for existing and future priorities, with Minimum Working Balances (£27M, being £20M General Fund and £7M HRA) and a capital contingency being retained for unforeseen events (£7.1M).
- 4.10 Furthermore, as part of the Reserves Strategy, £5.0M has been identified as available for one-off investment.

Table 7: Resources Available

	Current Resources £M	Future Resources Available £M	Total Resources Available £M	Committed £M	Available Resources £M
<b><i>Sub Total – General Fund</i></b>	362.668	61.720	424.388	(419.388)	<b>5.000</b>
<b><i>Sub Total – Housing</i></b>	89.945	-	89.945	(89.945)	-
<b>GRAND TOTAL</b>	<b>452.613</b>	<b>61.720</b>	<b>514.333</b>	<b>(509.333)</b>	<b>5.000</b>

## APPENDICIES

## APPENDIX 1

**ANTICIPATED FUTURE RESOURCES**

	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	TOTAL £M
<b>CAPITAL GRANTS</b>					
Grant Funding - GF	17.220	21.500	21.500	1.500	61.720
Grant Funding - Housing	-	-	-	-	-
<b>TOTAL CAPITAL GRANTS</b>					
<b>TOTAL ANTICIPATED FUTURE RESOURCES</b>	<b>17.220</b>	<b>21.500</b>	<b>21.500</b>	<b>1.500</b>	<b>61.720</b>

## APPENDIX 2

**RESOURCES REQUIRED TO BE EARMARKED UNDER STATUTE**

Investment	Amount £M
<b>GENERAL FUND</b>	
Provision for MRP Policy/Capital Financing	23.0
Transformation/ Be Even Better	5.7
Budget Mitigation/Organisational Redesign	10.0
Other Specific Government Funding	8.4
Insurance Fund Reserve	6.8
<b>RESOURCES REQUIRED TO BE EARMARKED UNDER STATUTE</b>	<b>53.8</b>



## APPENDIX 3

**DETAILED BREAKDOWN OF SPECIFIC GRANTS/DIRECTORATE SPECIFIC**

<b>Directorate Investments/Commitments:</b>	<b>£M</b>
Children's Services	11.2
Growth and Sustainability	4.8
Place, Health & Adult Social Care	11.6
Public Health & Communities	6.5
Core Services	11.9
Corporate Budgets	25.1
<b>Sub Total – Directorate Investments/Commitments</b>	<b>71.069</b>

**Detailed Breakdown of Specific Grants / Directorate Specific**

	<b>£M</b>
<b>Children's Investments/Commitments</b>	
Schools - Delegated DSG surplus balances	9.1
Represents slippage on approved school improvement commitments as approved by the Barnsley Alliance Board	0.1
Devoloved Grants - 16-19 EFA Grant Penistone Grammar, Mental Health Lead grant, Connect the Classroom and Pupil Premium LAC	0.5
School Advances and overpayment of PFI charges - Maintained Schools	0.3
Family Hub Grant underspend - planned spend 24/25	0.2
Temporary post funded until 24/25	0.0
Extension to Early Years Grant (DfE)	0.1
Experts & Mentors & Professional Development Grant	0.0
Programme Manager for Inspection Readiness	0.1
Youth Justice Service - slippage on grant funding	0.2
Moderation Funding - represents slippage on grant funding provided by the DfE for the costs of coordinating and undertaking moderation tests in primary schools.	0.2
Slippage of the Supporting Families Grant funding.	0.4
Local Children's Safeguarding Partnership	0.1
<b>Sub Total - CHILDRENS Investments/Commitments</b>	<b>11.1</b>

	£M
<b>Growth and Sustainability Investments/Commitments</b>	
Adult Skills - Slippage of grant funding	0.86
Town Centre Events	0.04
AEB - Academic Year Grant	0.15
Music - Academic Year Grant	0.03
ERDF Grants	0.64
Stronger Towns	0.08
Contract Performance Officer	0.02
SYMCA SY Broadband	0.01
Youth Justice Pathfinder	0.01
Youth Employment Worker	0.05
Great Place Grant	0.00
Eldon St Grant	0.00
Launchpad Grant	0.40
LD Supported Employment	0.00
Project Manager Extension	0.01
Carbon Management Plan	0.02
Route Map	0.01
Worsborough Wet Woodland	0.00
Assets - Planned Maintenance	0.26
Asset Management System to deliver future KLOE	0.04
Transportation & Design - Eco Stars Grant	0.04
Traffic Surveys/Counters	0.10
Symology Set up Costs (incl in Q3 Forecast)	0.01
Super profits 22/23 and 23/24 - required for HWRC Drainage proj	1.83
Funding for TPT Bridge Capital Scheme 24/25	0.01
Royston Canal Wall	0.04
Grant Slippage - External Funding	0.02
Grant Slippage - Moving Health Forward	0.01
SYMCA Grant (transport)	0.08
<b>Sub Total - GROWTH &amp; SUSTAINABILITY Investments/Commitments</b>	<b>4.80</b>

	£M
<b>PLACE HEALTH &amp; ADULT SOCIAL CARE Investments/Commitments</b>	
Better Lives Programme	2.16
Discharge Grant and MSIF grant	3.77
ICB Transferred Funding	4.70
Various Health Funding	0.38
ICB Funding for Castle Lane	0.04
Early Implementation of NLW funding from Health	0.14
Commissioning - Temp Staffing	0.11
Adult Safeguarding - Slippage of Various Service Budgets	0.06

Adult Safeguarding - Slippage of Training Budget	0.03
NHS - Digital Technology / GPS Dementia	0.10
Community Discharge (Transforming care) Grant	0.11
<b>Sub Total – PLACE HEALTH &amp; ADULT SOCIAL CARE Investments/Commitments</b>	<b>11.58</b>

	£M
<b>PUBLIC HEALTH &amp; COMMUNITIES Investments/Commitments</b>	
Stronger Communities - Balance of Area Council Funding	0.83
Healthier Communities - Good Food Initiatives - SYMCA	0.16
Safer - Asylum Grant	0.41
Grant Contributions received to fund provision of information to the homeless.	0.02
Domestic Violence & Domestic Homicide Grant funding slippage	0.89
Dementia Gateway Grant funding slippage - 3 Year Programme	0.00
HAF Grant funding slippage	0.10
DCLG Homelessness Grant funding slippage	0.24
RSI Grant funding slippage to continue with rough sleepers programme	0.12
AMIF Grant funding slippage	0.07
Shared Accomodation	0.14
Management Account CCG Grants re respiratory fund & Business Planning	0.03
OPCC funding given to IDAS for Young Person's IDVA & LGBT / BME posts	0.11
DHRs	0.01
Armed Forces Community Hub	0.03
Substance Misuse	0.05
Carers Policy Officer	0.13
Area Council/Ward Alliance	0.06
Library Initiatives grant slippage - ACE Lottery	0.00
Libraries - Art Council - National Portfolio	0.01
Ukraine Settlement funding (funding Asylum and Migration Team)	0.79
Resources required to fund the 4 year plan (TBC)	1.26
Vaccine Community Outreach	0.05
CYP Public Health Project - CCG	0.16
Various Health Improvement Schemes	0.11
Health Protection CVD Checks	0.11
Integrated Sexual Health GUM	0.02
Reg Services Pollution Slippage	0.13
Sheff NHS Research Funding, What's for Tea Campaign, Alcohol Campaign.	0.04
Licensing Resources DMT Report	0.10
Food Safety	0.03
Govt Funding for Trading Standards new legislation & + Botox Burdens.	0.05
Public health Foundation Programme, Road Safety, ICB Suicide Prevention, Programme, Make Smoking Invisible, Alcohol Campaign.	0.24
<b>Sub Total – PUBLIC HEALTH &amp; COMMUNITIES Investments/Commitments</b>	<b>6.50</b>

	£M
<b>CORE Investments/Commitments</b>	
BSF Programme	5.41
PFI Programme	0.90
Provision for Welfare Reform / Investment	1.00
Term Time Calculation	4.15
Grant funding for Information Management System discovery project	0.07
DLUHC Cyber Fund	0.10
BU15 - Corporate Training Budget	0.18
CCG Contribution for Vulnerability Index	0.01
Email Marketing System Costs	0.03
Trade Union Convenors	0.03
<b>Sub Total – CORE Investments/Commitments</b>	<b>11.88</b>

	£M
<b>CORPORATE Investments/Commitments</b>	
Enhance current approach of seconding Barnsley SENCOs to the SEND service to support and challenge schools to improve SEND practice. Increase capacity by 5 SENCOs for 38 weeks.	0.01
Self-harm awareness for students and staff	0.01
Mental Health First Aid (MHFA) – roll out of bespoke training across Barnsley Council to include ‘train the trainer’ element.	0.01
Active Travel initiatives including Beat the Street and the walking revolution.	0.04
Leadership Training	0.04
Procurement of new fleet management system.	0.17
Additional resource to enforce Traffic Regulation Orders.	0.00
Employment of a Wellbeing and Training co-ordinator	0.03
The Council's Tree Planting Programme.	0.14
Enterprising Barnsley	0.05
Resources to develop a digital skills road map within the digital campus.	0.00
Targeting town centre ASB and criminality hot spots through physical interventions (e.g fencing).	0.08
Development and introduction of a marketing plan to promote the Borough as a place to live, work and visit (Independent Barnsley).	0.01
ward alliance budget	0.03
Re- location for skate park.	0.10
Invest to Improve Fund (Future Council 2020)	0.24
Apprenticeship Levy	0.85
Car Leasing	0.17
SEND Improvement/ Deficit Reduction	11.26
Contingency	11.91
<b>Sub Total – CORPORATE Investments/Commitments</b>	<b>25.14</b>
<b>DIRECTORATE INVESTMENTS</b>	<b>71.00</b>

**APPENDIX 4****RESOURCES EARMARKED FOR CAPITAL PRIORITIES**

Investment	£M
<b>General Fund:</b>	
School Grants	4.960
Disabled Facilities Grant	4.468
Towns Fund Goldthorpe	16.448
Glassworks	10.520
Active Travel	6.542
Seam	6.106
Principal Towns	9.171
Youth Zone	4.826
Additional Highways	43.590
Affordable warmth	1.410
Economic Regeneration	0.550
Alhambra - Health on the High Street	18.295
Goldthorpe Master Planning	2.200
Digital Skills Roadmap	8.759
Contribution to Housing Schemes	1.992
Digital First - Revenue	0.007
SY Superfast Broadband	0.019
Elsecar Masterplan	0.108
CDF Elsecar	2.639
Elsecar Drainage	0.999
Penistone Grammar	0.101
LUF - Youth Place & Space	5.393
LUF - NAVE	4.484
LRP Footways	0.770
LRP Carriageways	4.565
Drainage Maintenance	1.000
Signage Maintenance	0.285
PRN Programme	0.755
Car park resurfacing	0.025
Town Centre Pavilion	0.200
Classified Roads Investment Programme	2.000
Bin Replacement Programme	1.304
West St - Pegasus Crossing	0.170
Cannon Hall Parks for People	0.079
Match Funding Historic High Streets Heritage Action Zone	0.215
Cannon Hall – Northern Glass Feasibility	0.000
MEND (Cannon Hall Roof)	0.941

Pool Support Fund	0.210
COVID Memorial	0.005
Safer Roads	0.891
Bridges & Structures	0.500
Penistone Bridge End Highways	0.101
Dorothy Hyman Phase 2	0.009
Dorothy Hyman Project Pavilion	0.280
SYMCA EV Charge Points	0.018
SYMCA Feasibility	1.549
Strategic Business Parks Eco Plan	0.185
J36 HCA Land Rockingham	0.181
Town Centre Parking Strategy - Phase 1	0.761
Hoyland Parkside Sporting Facilities	3.724
Street Lighting LED Replacement	1.258
Libraries Review	0.715
Libraries Refurbishment	0.672
Libraries Mgmt Information System - LMIS	0.011
Libraries Digital Improvement	0.006
Cremators	0.150
Commerce House	0.006
Grimethorpe Miners Welfare Ground	0.127
Locke Park Works	0.181
TPT - Bullhouse Bridge Deck Bridge	0.180
Lockwood Rd Underpass	0.462
Replacement Programme for People's Network	0.013
Click & Collect Hub - RAP	0.002
HIP CRSTS LNCTP	1.283
Binrastructure	0.035
Goldthorpe Market	0.209
Fit For Purpose IT Infrastructure	0.661
New Council's owned Children's Residential Home	0.980
Investment in Allotments	0.250
Worsbrough Mill overflow car park	0.049
NGfL - End User Device Refresh	0.078
Investment in Wi-Fi Connectivity at Visitor Attractions	0.115
Safety and Efficiency focused Telematics System	0.000
Property Investment Phase 3	2.442
Worsbrough Res Works	0.729
Landlord Responsibilities	5.150
Youth Choir	0.500
All S106 Capital Schemes	2.362
Capital Feasibility	0.534
Capital Contingency	1.331
<b>Sub-total General Fund</b>	<b>194.803</b>

<b>Housing Priorities:</b>	
Empty Homes	3.465
St Michael's Avenue	0.166
Billingley View	0.261
Social Housing Decarbonisation Fund	1.798
Fire Safety Works	1.164
22/23 Investment - Spandrel Panels	0.515
22/23 Investment - Asbestos Removal Aldham House & Royston	0.187
2024-2027 Housing Investment - BHS / Non BHS	26.770
LAHF Project	0.607
Major Repairs Reserve Allocation	44.812
Other Priorities	3.200
<b>Sub-total Housing</b>	<b>82.945</b>
<b>TOTAL</b>	<b>277.748</b>

**APPENDIX 5**

<b>Budget Resilience</b>	<b>Amount £M</b>
<b>General Fund:</b>	18.000
<b>TOTAL</b>	<b>18.000</b>

<b>Available for Investment</b>	<b>Amount £M</b>
<b>General Fund:</b>	5.000
<b>TOTAL</b>	<b>5.000</b>

This page is intentionally left blank



**TREASURY MANAGEMENT STRATEGY AND POLICY STATEMENT  
2025/26**

## INDEX

	<b>Paragraph</b>
<b>1. EXECUTIVE SUMMARY</b>	1.1 - 1.11
<b>2. CAPITAL EXPENDITURE PLANS &amp; CAPITAL PRUDENTIAL INDICATORS</b>	2.1 - 2.13
<b>3. BORROWING STRATEGY</b>	3.1 - 3.19
<b>4. ANNUAL INVESTMENT STRATEGY</b>	4.1 - 4.27
<b>5. APPENDICES:</b>	
A Treasury Management Policy Statement 2025/26	
B MRP Policy Statement 2025/26	
C Prudential and Treasury Indicators 2025/26	
D Definition of Terms	

# 1 EXECUTIVE SUMMARY

## BACKGROUND

1.1 This document has been prepared in accordance with the Local Government Act 2003, which stipulates that local authorities must 'have regard to' the following guidance:

- The **Prudential Code** (CIPFA);
- The **Treasury Management Code** (CIPFA);
- **Statutory Guidance on Minimum Revenue Provision** (MHCLG), and
- **Statutory Guidance on Local Authority Investments** (MHCLG).

1.2 In line with the recommendations of these codes, the Treasury Management Strategy sets out the following each year for approval by Full Council:

<b>The Treasury Management Policy Statement</b> The Council's overall policies, practices and objectives in relation to treasury management
<b>The Council's Capital Expenditure Plans</b> The Council's indicative capital programme over the planning period
<b>The MRP Policy Statement</b> How capital expenditure will be charged to revenue over time
<b>The Council's Borrowing Strategy</b> How its ongoing borrowing requirement will be managed, with regard to interest rate and refinancing risk
<b>The Annual Investment Strategy</b> How any surplus cash will be managed, with regard to the principles of Security, Liquidity and Yield
<b>The Council's Prudential and Treasury Indicators</b> The limits and indicators designed to help monitor and control treasury management risk

1.3 CIPFA published updated Treasury Management and Prudential Codes in December 2021 and full implementation of the reporting changes has been required by local authorities from 2023/24. To comply with the code changes, the Council therefore must have regard to these Codes of Practice when preparing the following Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year which are taken to Full Council for approval. The updated requirements are summarised as follows:

- The Council's risk appetite and our governance processes for managing risk are defined;
- The adoption of a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement (CFR);

- No borrowing is undertaken to finance capital expenditure to invest primarily for commercial return;
- Increases in CFR and borrowing are undertaken solely for purposes directly related to the functions of the Council;
- The Council's capital plans and investment plans are affordable and proportionate, and all borrowing is within prudent and sustainable levels;
- The inclusion of a high-level summary of the Council's investment policy in relation to environmental, social and governance aspects;
- The risks and rewards of significant investments are assessed over the long term (20 to 30 years);
- Treasury Management decisions are in accordance with good professional practice;
- A review of the knowledge and skills register for officers and members involved in the treasury management function. Ensuring that the Council has access to expertise in all areas of investment and capital expenditure, and to involve members in making informed decisions.

1.4 In addition to the above, under Regulation 27 of the Local Government Act 2003 (section 21 (1A)), local authorities are required to charge a Minimum Revenue Provision (MRP) to their revenue account in each financial year. The MHCLG have made changes to the MRP regulations and guidance so that all local authorities understand the need and value in ensuring revenue is set aside annually in respect of their CFR. These changes will take effect from 1<sup>st</sup> April 2025 and the Council's MRP Policy Statement for 2025/26 at Appendix B has been updated accordingly.

1.5 If required, the Strategy will be revised accordingly to reflect any changes to legislation outlined in the paragraphs above.

### OBJECTIVES

1.6 The objectives of the Treasury Management Strategy are to:

- Ensure the Council's capital expenditure plans are prudent, affordable and sustainable over the longer-term;
- Ensure that sufficient cash is available when needed to meet the Council's spending commitments;
- Manage the Council's exposure to interest rate and refinancing risk whilst maximising value for money; and
- Manage the investment of temporary surplus cash in a way that preserves the capital invested.

## THE COUNCIL'S BORROWING STRATEGY

- 1.7 Within the context of borrowing costs being at their highest level since 2008, the proposed strategy is to:
- **Maintain an appropriate proportion of fixed rate borrowing** in order to limit the Council's exposure to interest rate risk (proposed targets in section 3);
  - **Maintain a balanced maturity profile on long and short-term borrowing** in order to limit the Council's exposure to refinancing risk (proposed limits in Appendix C), and
  - **Maintain an appropriate level of internal borrowing** in order to reduce the Council's financing costs.

## THE ANNUAL INVESTMENT STRATEGY

- 1.8 In order to safely manage the Council's temporary surplus cash, the proposed strategy is to:
- **Invest only in secure products and counterparties** in order to minimise the risk of loss (proposed limits in section 4);
  - **Maintain an appropriate balance of liquid funds** to ensure that sufficient cash is available when needed; and
  - **Within this context, seek to optimise performance** in terms of yield.

## TREASURY MANAGEMENT REPORTING

- 1.9 The Council is currently required to receive and approve the following treasury reports each year, which incorporate a variety of policies, estimates and actuals.
- a. **Prudential and treasury indicators and treasury strategy** (this report)
    - The first, and most important report is forward looking and covers:
      - the capital plans (including prudential indicators);
      - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
      - the Treasury Management Strategy (how the investments and borrowings are to be organised), including treasury indicators; and
      - an Annual Investment Strategy (the parameters on how investments are to be managed).
  - b. **Quarterly treasury management reports** – These are primarily progress reports and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

## TRAINING

1.10 The CIPFA Treasury Management Code requires that staff and members with responsibility for treasury management receive adequate training. The Council carries out the following to monitor and review knowledge and skills:

- Provide training sessions for new Council members together with periodic training sessions at Audit and Governance Committee.
- Hold quarterly Treasury Management Panel meetings to discuss the latest treasury position in detail with panel members.
- Keep the CIPFA Treasury Management Skills Assessment up to date to identify any gaps in knowledge, plus regular communication with officers and Council members to encourage them to highlight training needs on an ongoing basis.
- Periodically review the training needs of treasury management officers through the Council's PDR process.
- Maintain a formal record of the training received by officers central to the treasury function within the Treasury Management Practices.

## TREASURY MANAGEMENT CONSULTANTS

1.11 The Council currently uses LINK Group as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remain with the organisation at all times but there is value in employing external providers of treasury management services to acquire access to specialist skills and resources.

The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review.

## 2 CAPITAL EXPENDITURE PLANS & CAPITAL PRUDENTIAL INDICATORS

- 2.1 The Council's capital expenditure plans are a key driver of its treasury management activities. The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Investment Strategy and this report should be considered alongside the TMSS. The two reports will provide a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services, together with how associated risks will be managed and the implications for future sustainability.
- 2.2 This section of the TMSS covers a range of prudential indicators designed both to inform members of future activity and to assess whether those plans are prudent, affordable and sustainable over the longer term and reflect the framework as set out in CIPFA's Prudential Code. The full suite of indicators can be found in Appendix C.

### Estimates of Capital Expenditure

- 2.3 This indicator summarises the capital expenditure plans set out in the Council's Capital Investment Strategy. These plans are funded from a variety of sources including £27M from prudential borrowing or finance lease (see Appendix C for further details). Members are asked to note that the Capital Investment Strategy includes an additional £2.5M planned for 2028/29, totalling £369.4M over the five-year planning period:

Table 1 - Estimates of Capital Expenditure

	2024/25 (£M)	2025/26 (£M)	2026/27 (£M)	2027/28 (£M)	Total (£M)
Indicative Capital Programme*	137.030	122.295	85.227	22.500	<b>367.051</b>
Funded from Prudential Borrowing / Finance Lease	15.506	11.188	0.735	0.000	<b>27.429</b>
Funded from Other Resources	121.524	111.106	84.492	22.500	<b>339.622</b>

\* Includes new 2025 – 2028 investment subject to approval

### Estimates of Capital Financing Requirement (CFR)

- 2.4 This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from borrowing or other long-term liabilities. This includes the £27M identified in paragraph 2.3:

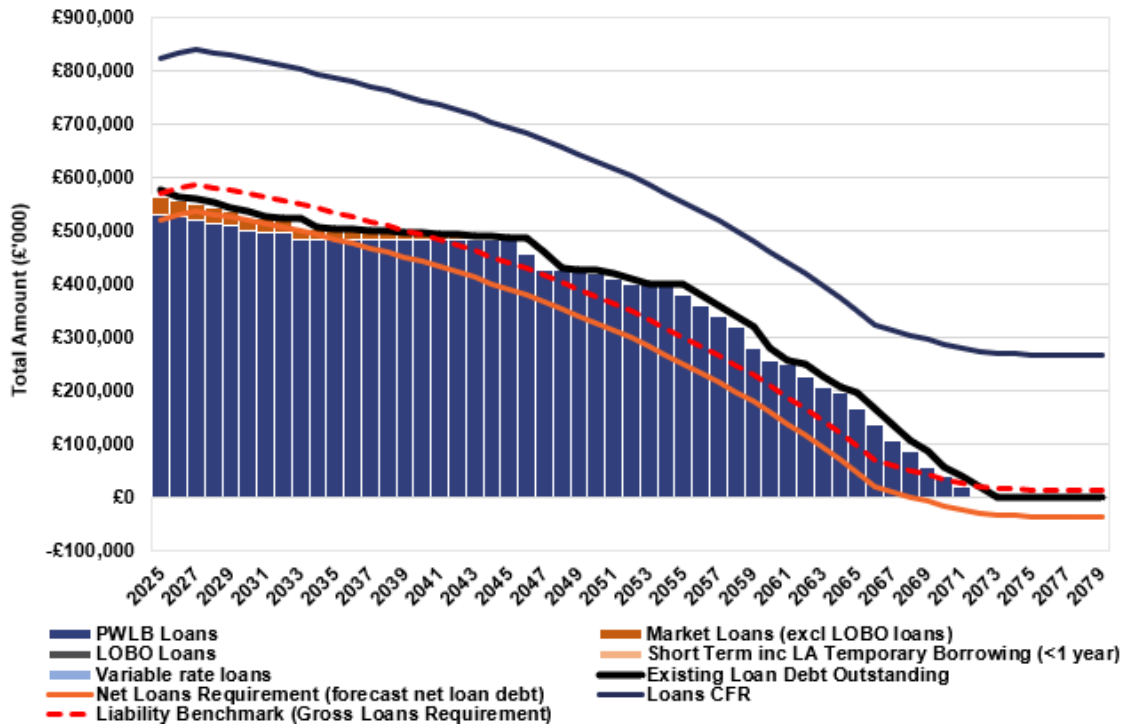
Table 2 - Estimates of Capital Financing Requirement

	2024/25 (£M)	2025/26 (£M)	2026/27 (£M)	2027/28 (£M)
External Borrowing (Existing)	819.014	813.593	807.882	801.937
Other Long-Term Liabilities (Existing)	228.021	225.091	222.392	219.392
Planned Capital Investment (Cumulative)	15.506	26.694	27.429	27.429
<b>Total Estimated CFR</b>	<b>1,062.541</b>	<b>1,065.378</b>	<b>1,057.703</b>	<b>1,048.758</b>

2.5 New expenditure aside, the CFR will reduce over time via a statutory annual charge to the revenue account, known as the Minimum Revenue Provision (MRP). The Council's MRP policy is included in Appendix B.

### Liability Benchmark

2.6 The Liability Benchmark (LB) Prudential Indicator has been developed by CIPFA to provide a longer-term view of a local authority's debt position. The Council is required to estimate and measure the LB and report this to members within the quarterly treasury management updates. The LB is effectively the Net Borrowing Requirement of the Council plus a liquidity allowance.



2.7 The graph above shows the Council's Liability Benchmark as at 2024/25 which includes the following four balances:

- **Existing loan debt outstanding (blue stacked bars):** the Council's existing loans that are still outstanding in future years.
- **Loans CFR (blue line):** the loans CFR projected into the future based on approved prudential borrowing and planned MRP.
- **Net loans requirement (orange line):** the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future based on approved prudential borrowing, planned MRP and any other major cash flow forecasts.
- **Liability benchmark (broken red line):** the net loans requirement plus a short-term liquidity allowance set at £50M.

2.8 It should be noted that **only approved prudential borrowing** (£27M to 2027/28 as detailed in table 1) is included in the above calculations. In practice this means that the Loans CFR will peak after four years, as is demonstrated



in the graph above. This creates a slight anomaly in the model given that all other inputs are projected forward for 50 years+.

- 2.9 There is a £50M liquidity allowance included in the calculations which is the level of cash the Council is comfortable with for ongoing cash flow purposes and minimising liquidity risk.
- 2.10 The **blue stacked bars** in the graph represent the Council's existing loans and show when these will mature in future years. The **blue Loans CFR line** shows the amount of capital expenditure that the Council has already spent that has yet to be funded from cash resources, i.e. the need to borrow for capital financing purposes. The Council's current CFR based on its current borrowing requirement and MRP plans are explained further in the borrowing section of this report. The graph shows that the CFR gradually reduces after four years as the MRP repayments exceed any borrowing requirement needed after this time. It also shows that the CFR is a long way above the actual external borrowing taken (the blue stacked bars), which highlights the level of borrowing requirement the Council has chosen to finance internally from cash resources (internal borrowing).
- 2.11 The purpose of the model is to aid decisions on how much external borrowing to undertake to meet the borrowing requirement plans of the Council and focuses on net indebtedness. The **orange line** represents the Council's net loans requirement, or net indebtedness, which is current cash resources net of borrowing liabilities. Add to this the level of cash the Council is comfortable with for ongoing cash flow liquidity (£50M), and this results in optimum position for external borrowing, the Liability Benchmark, represented by the **broken red line**.
- 2.12 If the outputs show future periods where external loans are less than the LB, then this indicates a borrowing requirement, thus identifying where the Council is exposed to interest rate, liquidity and refinancing risks. Conversely, where external loans exceed the LB then this will highlight an overborrowed position which will result in excess cash in the organisation requiring investment, thus exposing the Council to credit and reinvestment risks and a potential cost of carry.
- 2.13 The latest graph shown at paragraph 2.6 shows that using current forecasts, the Council's external borrowing meets the level of the liability benchmark over the medium-term. This places the Council in the optimum position in terms of utilising balance sheet resources to maximise internal borrowing and minimise our exposure to treasury management risks.

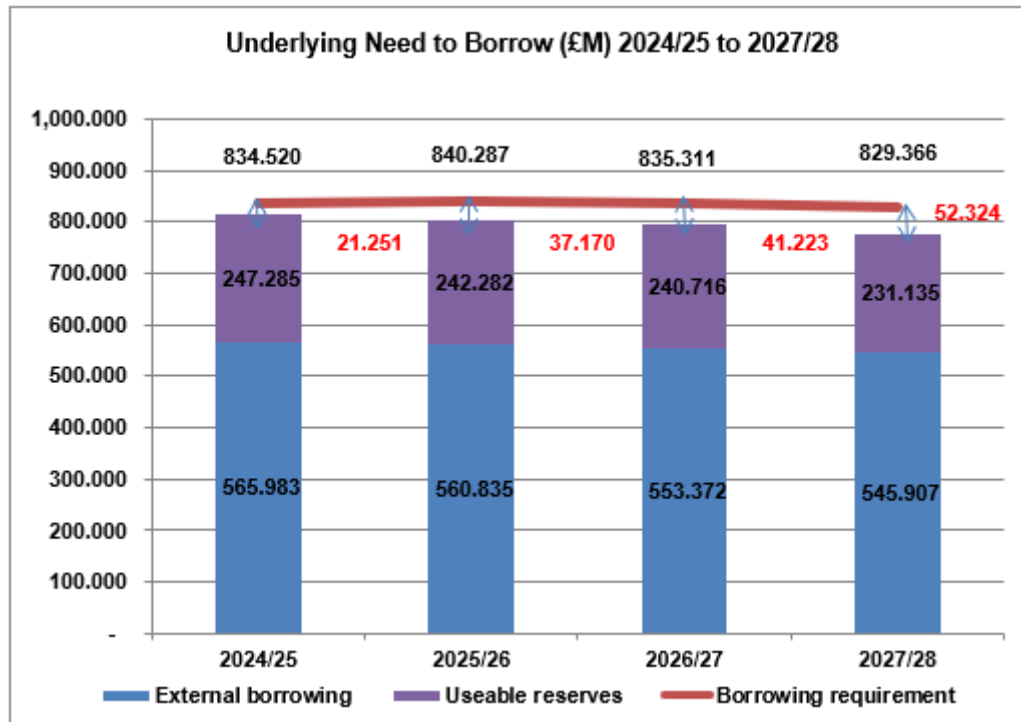
### 3 BORROWING STRATEGY

- 3.1 The capital expenditure plans set out in section 2 provide details of the capital activity across Council services and more detailed information can be found within the Capital Investment Strategy 2025/26.
- 3.2 The treasury management function will ensure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity and the plans included in the Capital Strategy. This will involve both the management of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.
- 3.3 The Council's general policy objective is to ensure its level of debt is prudent, affordable and sustainable over the longer term. This requires the treasury function to keep financing costs to a minimum whilst addressing the key associated risks: interest rate risk and refinancing risk.
- 3.4 The indicator below compares the Council's expected borrowing position to its underlying borrowing need (referred to as the Borrowing CFR), to identify the extent to which the Council is under or over-borrowed. This excludes other long-term liabilities since each arrangement contains its own borrowing facility, therefore the Council is not required to borrow separately.

Table 3 – Gross Borrowing and the Capital Financing Requirement

	2024/25 (£M)	2025/26 (£M)	2026/27 (£M)	2027/28 (£M)
Borrowing CFR	834.520	840.287	835.311	829.366
Gross Borrowing	(565.983)	(560.835)	(553.372)	(545.907)
<b>Under-Borrowed Position</b>	<b>268.536</b>	<b>279.452</b>	<b>281.939</b>	<b>283.459</b>
Support from Usable Reserves	(247.285)	(242.282)	(240.716)	(231.135)
<b>Underlying Need to Borrow</b>	<b>21.251</b>	<b>37.170</b>	<b>41.223</b>	<b>52.324</b>

- 3.5 As shown above, the Council is currently maintaining an under-borrowed position. This means that the Borrowing CFR has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure (also referred to as internal borrowing). By utilising the cash supporting these resources temporarily, the Council has the option to defer long-term borrowing until the related spending commitments occur. Whilst this is a cost-effective position, it is one that needs to be actively monitored and managed considering the Council's planned capital investment and the prevailing economic climate.
- 3.6 As illustrated by the following chart, the Council's underlying need to borrow for capital purposes (represented by the blue arrows) based on current forecasts is estimated at £52M over the period:



### Interest Rate Risk

3.7 Interest rates are a key driver of treasury management activities. The Council has appointed LINK Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The latest forecast (as at 11th November 2024) shows that following the first Bank Rate cut in four years to 5.00% in August 2024, further rate cuts are expected over the period to 2027. As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

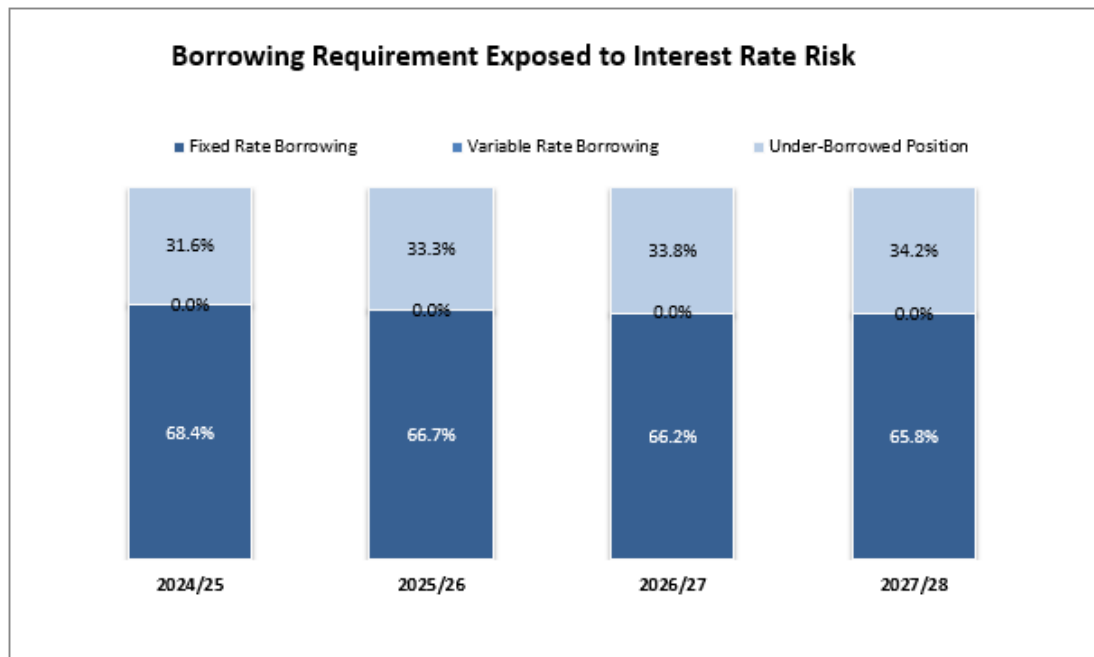
Table 4 - Latest Interest Rate Projections (provided by LINK Group as at 11.11.24)

	Latest	Mar-25	Sep-25	Mar-26	Sep-26	Mar-27
<b>UK Bank Rate</b>	4.75%	4.50%	4.00%	3.75%	3.75%	3.50%
<b>PWLB Certainty Rate (50 Years)</b>	5.40%	5.30%	5.10%	4.90%	4.70%	4.50%

3.8 Interest rate risk is the risk of an adverse movement in interest rates which leads to a rise in borrowing costs or lost opportunity costs. The Council measures this risk against its temporary and variable rate borrowing and any requirement which has yet to be financed (i.e. its under-borrowed position).

3.9 The Director of Finance has previously advised that a target of 70% fixed rate borrowing be maintained in order to manage risk and provide cost certainty, and the Council has been working to this target over several years whilst interest rates have remained low. Officers will keep this target under review and although it may not be achievable in 2025/26 whilst borrowing costs remain elevated, favourable movements in interest rates may allow the Council to achieve the 70% target from 2026/27 onwards.

3.10 The Council's long-term debt (£566M) consists entirely of fixed rate loans and accounts for 68.4% of the overall capital financing requirement forecast to 31 March 2025. As shown in the graph below, the under-borrowed position is currently 31.6%.



3.11 The graph shows that based on current capital programme spend forecasts, should no further fixed rate borrowing be undertaken, 34.2% of the Council's borrowing requirement will be exposed to interest rate risk by 2027/28. If the Council were to continue to meet the 70% fixed rate borrowing target, this would require in the region of £35M of debt to be secured in additional fixed rate loans over the period to 2027/28.

3.12 Borrowing costs are at their highest since 2008 and it is not considered prudent to undertake additional long-term borrowing at the present time unless it is deemed essential. The recommended strategy is to hold off further long-term borrowing and closely monitor the profile of capital spend and funding requirements over the planning period. Temporary reserves and balances can be utilised in lieu of external borrowing until a time when rates begin to fall from their current high levels as forecast in Table 4 above. This prudent approach allows flexibility to use the under borrowed position to minimise costs and defer long-term borrowing until it becomes less expensive.

3.13 Should it be the case that the Council requires external funding, the following options are available for consideration:

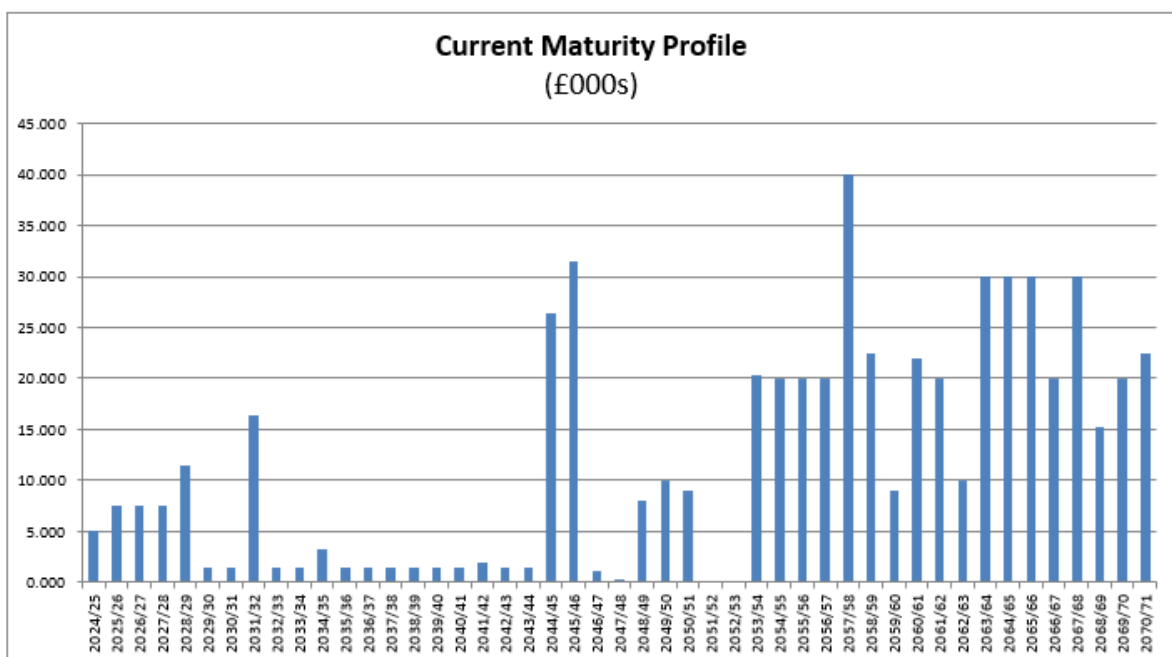
- **PWLB borrowing** - the Council has access to long-term PWLB funding at the 'Certainty Rate' (providing loans at 0.2% below the usual rate). The latest forecasts (at table 4) show a gradual decline in PWLB rates during the forecast period to March 2027. Officers will continue to closely monitor long-term PWLB rates and assess opportunities for securing long-term funding at attractive rates.
- **Local authority loans** - the Council may be able to borrow from other local authorities for periods of up to 3 years, which would provide additional

budget certainty over the term whilst providing a saving against current long-term PWLB rates. This would be carried out in small tranches to minimise the cost of carry and mitigate credit risk. Opportunities for inter-authority lending are assessed by treasury officers on an ongoing basis.

- **Deferred loans** - the Council may be able to access long-term, fixed rate funding from financial institutions such as banks, insurance companies and pension funds on a deferred drawdown basis. Whilst they may no longer be cheaper than the PWLB, deferred loans can provide protection from interest rate risk without the additional cost of carry and credit risk. However, as the forecast is for borrowing rates to decrease over next 2 to 3 years (table 4) it may not be advantageous at present to lock into a forward borrowing rate.
- **The Municipal Bonds Agency (MBA)** - the MBA was established in 2014 with the intention of providing an alternative source of funding to the PWLB. Barnsley has been a leading authority in promoting the MBA and has committed to the next bond issue subject to 'due diligence' tests. Officers are monitoring the situation and any updates on the MBA bond launch will be reported.

### Refinancing Risk

- 3.14 This is risk of refinancing debt on unfavourable terms, due to either a lack of availability of replacement financing or an increase in interest rates. The Council measures this risk against the maturity profile on long and short-term borrowing.
- 3.15 To protect the Council from refinancing risk, officers will operate within the maturity limits set out in Appendix C, which typically\* allow for up to £70M of maturing loans (on average) in any given year - £50M General Fund and £20M HRA. As shown below the Council has a balanced maturity profile which is currently well within this limit:



\* With an additional allowance for temporary borrowing

- 3.16 If the Council does undertake borrowing, the recommendation is to borrow in small tranches to spread refinancing risk and to allow officers to invest the cash safely whilst it becomes required to meet the Council's spending commitments.

### **IFRS16 – Changes to Accounting for Leases**

- 3.17 From 1st April 2024 IFRS 16 came into effect which impacts how the Council accounts for all leases across the organisation. The change impacts the capital programme, with all leases which meet the criteria to be accounted for on the balance sheet and thus reflected through the capital programme. The Council is required to adjust figures for the Capital Financing Requirement, external debt (other long-term liabilities), the Authorised Limit and Operational Boundary, to allow for those leases which were previously off-balance sheet, being brought onto the balance sheet at 31st March 2025.
- 3.18 Members are asked to note that officers are currently undertaking an in depth review of all leases to ensure the Council is compliant with the new regulations by the above date. Due to the scale of works no quantitative estimate has been put on the impact and as such, this has not yet been included within the figures in this report or the Capital Investment Programme 2025/26 report.
- 3.19 An update will be provided to members within the quarter 1 2025/26 Capital and Treasury Management performance reports.

## 4 ANNUAL INVESTMENT STRATEGY

### CONTEXT

- 4.1 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a variety of risks as outlined later in this section. Our investment priorities (in order) are as follows:
- the **security of capital**;
  - the **liquidity of investments**, and
  - **optimum yield commensurate with the above**
- 4.2 The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, as managed by the treasury management function. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.
- 4.3 The borrowing of monies purely to invest or on-lend and make a return is considered unlawful (paragraph 51 of the 'Prudential Code'). As such the Council will not engage in such activity and as per table 3 (paragraph 3.4) will keep external borrowing beneath the CFR.

### STRATEGY

- 4.4 The Treasury Management function manages cash flow generated balances and ensures the Council has the ability to meet spending commitments as they fall due. Within this context, the Council's investment strategy will be to:
- **Invest any temporary surplus cash in secure products and counterparties** in order to minimise the risk of loss;
  - **Maintain an appropriate balance of liquid funds** to ensure that sufficient cash is available when needed; and
  - **Within this context, seek to optimise performance** in terms of yield.
- 4.5 The guidance from MHCLG and CIPFA places a high priority on the management of risk. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund.
- 4.6 The Council has a low-risk appetite in terms of the investment of surplus cash balances and has adopted a prudent approach to managing investment risk. Further details of the associated risks are provided below:

#### **Credit and Counterparty Risk (Security)**

- 4.7 This is the risk of a third party being unable to meet its contractual obligations to the Council, which put simply is the risk of default on any principal or interest payable. This would clearly have a detrimental impact on the Council's resources.

4.8 In order to mitigate this risk, the Council maintains a list of approved counterparties and investment limits based on the creditworthiness service provided by LINK Group (further details are available on request). This approach combines the credit ratings assigned by the three main rating agencies (Fitch, Moody's and Standard and Poor's) with a range of market factors to provide a suggested duration for investments, including:

- Credit 'watches' and 'outlooks' from the main rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

4.9 Members are asked to approve the investment counterparties and limits below:

<b>Institution</b>	<b>Minimum Long-Term Rating (Fitch or Equivalent)</b>	<b>Maximum Amount</b>	<b>Maximum Duration</b>
UK Government	AA-	Unlimited	5 Years
Barclays Bank PLC (The Council's own bank)	A	£25M	Overnight*
Banks	A+	£20M (£20M per group)	1 Year
	A	£10M (£20M per group)	6 Months
	A-	£10M (£20M per group)	100 Days
Building Societies	A	£10M	6 Months
	A-	£10M	100 Days
Local Authorities	AA-**	£20M	2 Years
Money Market Funds (including VNAV)	AAA	£20M per fund	Overnight***

*\*For liquidity purposes cash is placed with the Council's own bank (Barclays Bank PLC) on an overnight basis only.*

*\*\* Not all Local Authorities are separately rated, but they are deemed to be in line with the UK Government reflecting the likelihood of intervention in the event of severe financial difficulty.*

*\*\*\* Money Market Funds may be invested for longer periods than overnight, however funds can be withdrawn daily if required.*

4.10 It should be noted that local authority creditworthiness is an ongoing issue, particularly in light of recent volatility within the economy and several local authorities issuing Section 114 Notices. Whilst there are no issues foreseen from a credit perspective (there are regulations in place to avoid local authorities from defaulting on their debts), officers recognise the reputational risk associated with such investments and will take this into consideration when deciding where to invest the Council's surplus cash.

4.11 In addition to the use of credit ratings, the Council will be advised of information in movements in CDS and other market data on a weekly basis, which will be used to inform the amount and duration of new investments. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria (e.g. a credit rating below A-), it will be withdrawn



from the approved list immediately and any outstanding investments not re-invested at maturity.

4.12 Members are also asked to approve the limits in the following table which consider the Council's total exposure to loans, non-specified investments and foreign countries. These limits are designed to protect the Council from undue credit / counterparty risk and are additional to those set out in paragraph 4.9:

Type	Maximum Amount	Comments
Total loans or investments with unrated entities / entities rated below A-	£20M	This limits the overall amount that can be invested with entities without credit ratings or those with credit ratings below A- and covers any loans awarded to / shares held in local businesses.
Total long-term investments	£20M	This limits the overall amount that can be invested for longer than 12 months and covers any investments with the UK Government or other local authorities.
Total non-specified investments	£40M	The total of the two limits above.
Total investments with institutions domiciled in foreign countries	£50M	This limits the overall amount that can be invested with institutions from outside the UK and is subject to a minimum sovereign credit rating of AA-.

4.13 The process for approving such investments is detailed in Treasury Management Practice Document 5: Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements, which requires prior authorisation from the Head of Financial Services and Deputy S151 Officer.

#### **Price Risk (Security)**

4.14 This is the risk of a reduction in value of funds invested, due to an adverse change in market conditions. Due to the low-risk strategy that the Council has adopted, the risk of credit loss in relation to its treasury investments is deemed low / immaterial (therefore no impact on the general fund), however officers will continue to monitor this position on a regular basis to identify any potential risks.

#### **Legal and Regulatory Risk (Security)**

4.15 This is the risk that the Council or an organisation which it is undertaking treasury management activities with, fails to act in accordance with its legal powers or regulatory requirements, causing reputational damage and / or resulting in financial loss.

4.16 In order to mitigate this risk, the Council adopts the recommendations of the statutory guidance and receives professional advice from its Treasury

Management advisers (LINK Group). Officers attend regular training updates to keep up to date with the latest developments and regulatory changes.

### **Liquidity Risk**

- 4.17 This is the risk that cash is not available when needed to meet the Council's spending commitments, causing reputational damage, compromising service objectives and potentially leading to additional unbudgeted costs.
- 4.18 In line with the MHCLG investment advice on the liquidity of investments, the Council will aim to maintain an appropriate balance of liquid funds (i.e. the Barclays Flexible Interest-Bearing Current Account and Money Market Funds).
- 4.19 In accordance with the Council's low-risk appetite, the majority of investment maturities are to be kept relatively short i.e. for periods less than 12 months (further details in the table at paragraph 4.9). While most cash balances are required in order to manage fluctuations in cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

### **Yield**

- 4.20 The pursuit of optimum returns is a secondary priority to security and liquidity. This is particularly important in a period of economic uncertainty and the Council continues to maintain a low-risk appetite for investments.

### **Diversification**

- 4.21 Although the Council currently has a good spread of investment instruments, officers will continue to evaluate alternative investment options that meet the principles of security, liquidity and yield. Consideration will be given to alternative products and whether they are suitable for the investment portfolio. Proposals for new investment instruments will be taken to the Treasury Management Panel for discussion and where necessary, advice will be sought from LINK prior to making any investment decisions.
- 4.22 In addition to the core investment principles of security, liquidity and yield the Council will also seek to diversify investments to avoid concentration in specific banks, types of financial instrument, sovereign state etc. Consideration will also be given to the overall concentration of investments within each sector.
- 4.23 In order to diversify a portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels are set to ensure prudent diversification is achieved and these, together with minimum ratings and cash limits, are shown in the table at paragraph 4.9.

## **Environmental, Social and Governance (ESG) Considerations**

- 4.24 In September 2019 Barnsley Cabinet declared a climate emergency to bring the effects of climate change to everyone's attention. Barnsley Council's existing Energy Strategy commits it to being zero carbon in its operations by 2040, with the aim of achieving this by 2035 or earlier if possible.
- 4.25 Changes to the CIPFA TM Code 2021 include ESG investment considerations which should be incorporated into the Council's treasury management practices and procedures. This is a developing area and the measurement of ESG considerations is more widely used in equity and bond markets rather than for short-term cash deposits that the Council uses.
- 4.26 Where possible, treasury officers will consider ESG investment options which are consistent with the Council's own environmental and climate change policies although it is recognised that this is currently difficult. Further information on this matter will be provided once it becomes available and any updates to the Annual Investment Strategy will be made as necessary.

### **Berneslai Homes**

- 4.27 The funds of Berneslai Homes continue to be ring fenced in a segregated Barclays account, with clear separation from Council funds. Officers of the Council are responsible for the management of Berneslai Homes' cash balances, and the account is run in accordance with Treasury Management best practice and the effective management of risk.

**TREASURY MANAGEMENT POLICY STATEMENT 2025/26****1 Introduction & Background**

- 1.1 The Treasury Management Code of Practice requires local authorities to produce a Treasury Management Policy and Strategy Statement on an annual basis.
- 1.2 The Council adopted the original CIPFA Code of Practice on 13<sup>th</sup> February 2002, and this resolution is carried through to the revised codes. Therefore, the Treasury Policy Statement for 2025/26 has been prepared in compliance with the latest Code which was published by CIPFA in December 2021.
- 1.3 The Council will create and maintain the following key documents in accordance with the revised Code of Practice and other relevant guidance:
- The Treasury Management Policy Statement, outlining the key objectives of its Treasury Management activities;
  - The Treasury Management Strategy Statement including the Annual Investment Strategy setting out the specific expected Treasury Management activities for the forthcoming financial year;
  - Treasury Management Practices (TMPs) setting out the manner in which the Council will seek to achieve its objectives, and prescribing how it will manage and control those activities;
  - Prudential and Treasury Indicators as prescribed within the Prudential and Treasury Management Codes, and
  - The Capital Investment Strategy which sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring.
- 1.4 The Council will receive reports on its Treasury Management activities, including as a minimum, an annual strategy for the forthcoming year, an annual report after year end and interim quarterly reports.
- 1.5 The Council delegates responsibility for the implementation and monitoring of its Treasury Management policies and practices and for the execution and administration of Treasury Management decisions to the Section 151 Officer, who will act in accordance with the Council's Policy Statement and the CIPFA Treasury Management Code.
- 1.6 The Council nominates the Treasury Management Panel and the Audit and Governance Committee as being responsible for ensuring the effective scrutiny of the Treasury Management Strategy and Policies.
- 1.7 The Treasury Management Panel will meet on a quarterly basis (or as required) to monitor and review the Council's implementation of the Treasury Management Strategy and Policy. The Audit and Governance Committee will receive reports through which it will gain assurance regarding the effective implementation of the Strategy and Policy.

## **2. Policies and Objectives of Treasury Management Activities**

2.1 The Council defines its Treasury Management activities as:

*“the management of the organisation’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.”*

2.2 Approved activities of the Treasury Management operation cover:

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing cash flow;
- Banking activities;
- Leasing, and
- Managing the risk associated with the Council’s Treasury Management activities.

2.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will include their risk implications for the organisation.

2.4 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 best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.5 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The Section 151 Officer has delegated powers to select the most appropriate form of capital financing (including leasing arrangements) from the approved sources. Both the source and type of borrowing should allow the Council transparency and control over its debt.

2.6 The Council will not borrow more than (or in advance of) it’s needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved CFR estimates for the prescribed planning period. Moreover, future borrowing transactions will be considered carefully before they are undertaken to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance of need will only be undertaken when there is a clear business case for doing so.

2.7 The Council’s primary objective in relation to investment remains the security of capital. The liquidity of the Council’s investments and the yield earned remain important but secondary considerations.

- 2.8 The Annual Investment Strategy details the categories of investment the Council will invest in, maturity periods and criteria for selecting investment counterparties. Any revisions to these criteria will require Council approval.

### **3. Treasury Management Scheme of Delegation**

#### **Full Council**

- Receiving and reviewing reports on treasury management policies, practices and activities, and
- Approval of the annual strategy.

#### **Cabinet**

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities; and
- Receiving and reviewing regular summary reports and acting on recommendations.

#### **Treasury Management Panel / Audit and Governance Committee**

- Approving the selection of external service providers and agreeing terms of appointment; and
- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

#### **The S151 (responsible) Officer**

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Implementing the treasury management strategy and policies in compliance with member approvals, and
- Recommending the appointment of external service providers.

### **4. Policies on the use of Derivatives**

- 4.1 The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of financial derivatives. The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the TMSS. The Council will only use derivatives where they can be clearly demonstrated to reduce the overall level of financial risk.

- 4.2 Derivatives may be arranged with any organisation that meets the Council's approved investment criteria.
- 4.3 The Council will only use derivatives after seeking a legal opinion and ensuring that officers have the appropriate training to effectively manage their use.

**2025/26 MINIMUM REVENUE PROVISION (MRP) STATEMENT**

The Council is required to make a prudent provision for debt repayment known as the Minimum Revenue Provision (MRP). Guidance on MRP has been issued by the Secretary of State and local authorities are required to have regard to such Guidance under Section 21(1A) of the Local Government Act 2003.

The Council has considered the requirements set out in statute and regularly reviews MRP calculations to ensure our duty to make a prudent provision is met. There have been no departures from the statutory requirements in the prior year and there are no planned departures for the 2025/26 financial year.

The MRP Statement is required to be submitted for approval before the start of the financial year and any revision of which must also be submitted for approval. The Council is recommended to approve the following statement.

**MRP Methodology**

The four MRP options available are:

- Option 1: Regulatory Method;
- Option 2: CFR Method;
- Option 3: Asset Life Method, and
- Option 4: Depreciation Method.

*(Note: This does not preclude other prudent methods)*

Options 1 and 2 may only be used for General Fund supported expenditure. Methods of making prudent provision for General Fund self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

- **For capital expenditure incurred before 1<sup>st</sup> April 2008, MRP will be determined in accordance with Option 3;**
- **For supported capital expenditure incurred after 1<sup>st</sup> April 2008, MRP will be determined in accordance with Option 3;**
- **For non-supported (prudentially borrowed) capital expenditure incurred after 1<sup>st</sup> April 2008, MRP will be determined in accordance with Option 3;**
- **Within Option 3, MRP is permitted to be calculated in one of two ways - equal instalments or on an annuity basis. The Council has chosen to calculate MRP on an annuity basis, and**
- **MRP will normally commence in the financial year following the one in which expenditure is incurred. However, MRP Guidance permits local authorities to defer MRP until the financial year following the one in which the asset becomes operational. The Council has chosen to employ this option for significant qualifying projects.**

MRP in respect of on balance sheet leases will match the annual principal repayment for the associated deferred liability, which will produce an MRP charge comparable to that under Option 3, in that it will run over the life of the lease term.



Changes introduced by the revised (MHCLG) guidance on MRP mean that any charges made over the statutory minimum revenue provision (MRP) can, if needed, be reclaimed in later years if deemed necessary or prudent. In order to do so this policy must disclose the cumulative overpayment made each year. To date, the Council has not made any voluntary repayments over and above the statutory MRP and has no plans to do so at the current time.

On occasion, where the Council incurs capital expenditure that relates to capital loans or capital disposals, which results in capital receipts being received, the Council's policy is to prudently reduce the Capital Financing Requirement by the value of those receipts in the year they are received. The Council then adjusts the ongoing statutory minimum revenue provision that relates to that capital expenditure, prospectively over the remainder of the policy, to ensure that no overprovision occurs and that the full amount is repaid. Therefore, there are no overpayments that can be reclaimed at any point in the future.

The Council can confirm there have been no changes to policy or methodologies from the previous financial year.

**PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2027/28****Estimates of Capital Expenditure (General Fund and HRA)**

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

<b>Capital Expenditure</b>	<b>2024/25</b> (£M)	<b>2025/26</b> (£M)	<b>2026/27</b> (£M)	<b>2027/28</b> (£M)	<b>Total</b> (£M)
General Fund	103.643	98.449	65.511	21.500	<b>289.103</b>
HRA	33.386	23.846	19.716	1.000	<b>77.948</b>
Other Long-Term Liabilities	-	-	-	-	-
<b>Total</b>	<b>137.030</b>	<b>122.295</b>	<b>85.227</b>	<b>22.500</b>	<b>367.051</b>

**Estimates of Capital Financing Requirement (General Fund and HRA)**

This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from prudential borrowing or other long-term liabilities (e.g. PFI schemes, finance leases). The Council is asked to approve the CFR projections below:

<b>CFR</b>	<b>2024/25</b> (£M)	<b>2025/26</b> (£M)	<b>2026/27</b> (£M)	<b>2027/28</b> (£M)
General Fund Borrowing	562.786	568.553	563.577	557.632
HRA Borrowing	271.734	271.734	271.734	271.734
Other Long-Term Liabilities	228.021	225.091	222.392	219.392
<b>Total</b>	<b>1,062.541</b>	<b>1,065.378</b>	<b>1,057.703</b>	<b>1,048.758</b>

**The Operational Boundary (Overall)**

This is the limit beyond which external debt is not normally expected to exceed, based on the Council's CFR (see above). The Council is asked to approve the limits set out below:

<b>Operational Boundary</b> (£M)	<b>2024/25</b> (£M)	<b>2025/26</b> (£M)	<b>2026/27</b> (£M)	<b>2027/28</b> (£M)
General Fund Debt	562.786	568.553	563.577	557.632
HRA Debt	271.734	271.734	271.734	271.734
Other Long-Term Liabilities	228.021	225.091	222.392	219.392
<b>Total</b>	<b>1,062.541</b>	<b>1,065.378</b>	<b>1,057.703</b>	<b>1,048.758</b>

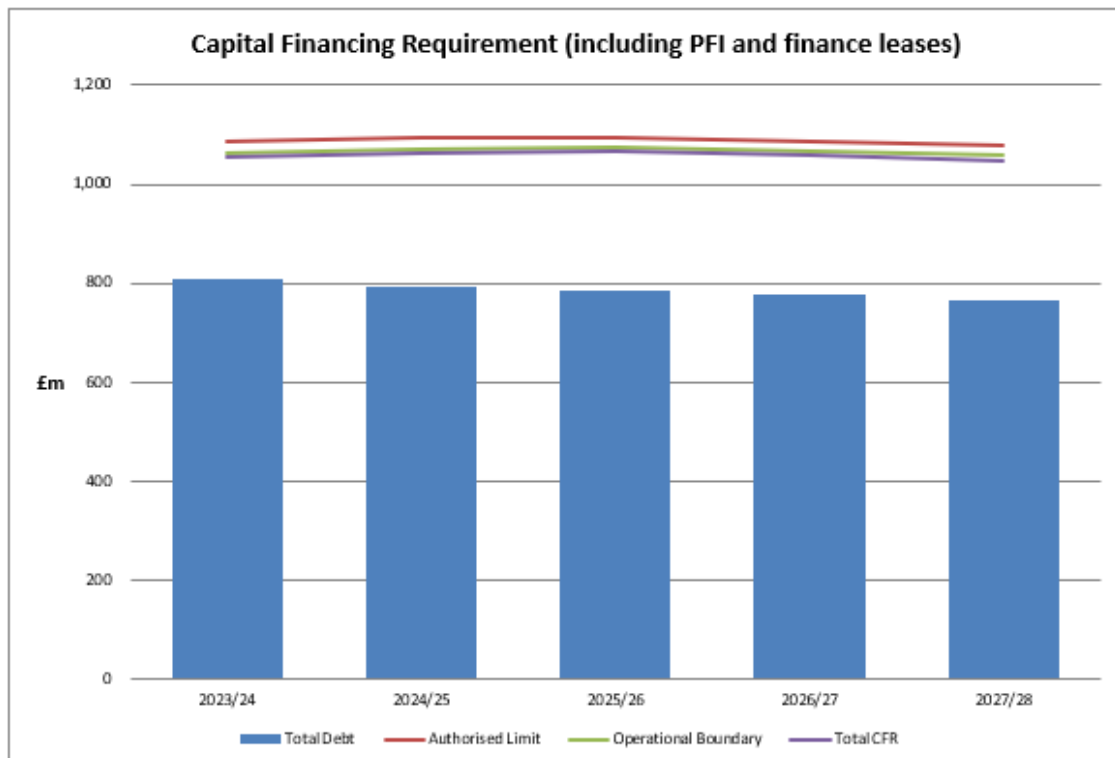
## The Authorised Limit for External Debt (Overall)

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The authorised limit has been set at £30M above the operational boundary (£20M General Fund and £10M HRA).

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following authorised limit:

<b>Authorised Limit (£M)</b>	<b>2024/25 (£M)</b>	<b>2025/26 (£M)</b>	<b>2026/27 (£M)</b>	<b>2027/28 (£M)</b>
General Fund Debt	582.786	588.553	583.577	577.632
HRA Debt	281.734	281.734	281.734	281.734
Other Long-Term Liabilities	228.021	225.091	222.392	219.392
<b>Total</b>	<b>1,092.541</b>	<b>1,095.378</b>	<b>1,087.703</b>	<b>1,078.758</b>

From 1<sup>st</sup> April 2024, the Council is required to implement IFRS 16, replacing the previous accounting standard applied for leases. This standard removes the distinction between finance and operating leases which means that many of the Council's existing leases will now be brought onto the balance sheet, increasing the Council's CFR. Once analysis has been undertaken to identify the leases affected, the operational boundary and authorised limit will require adjustment to account for the increased CFR and any amendments to the Strategy will require approval by the Council mid-year.



## Maturity Structure of Borrowing (General Fund and HRA)

These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing and are required for upper and lower limits. The Council is asked to approve the following limits:

<b>General Fund: Loan Maturity Structure (All Years)</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50%
12 months to 2 years	0%	25%
2 years to 5 years	0%	25%
5 years to 10 years	0%	40%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%
<b>HRA: Loan Maturity Structure (All Years)</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	25%
5 years to 10 years	0%	40%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%

## Maximum Principal Sums Invested for more than 365 Days (General Fund)

These limits are set in relation to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end. The Council is asked to approve the treasury indicator and limit:

(£M)	2024/25	2025/26	2026/27	2027/28
Principal Sums Invested >365 Days	20.000	20.000	20.000	20.000

## Ratio of Financing Costs to Net Revenue Streams (General Fund and HRA)

This indicator identifies the estimated trend in the cost of capital (borrowing and other long-term liabilities) against the Council's net revenue streams.

Ratio of Financing Costs to Net Revenue Streams (%)	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
GF (excluding PFI interest costs)	8.04%	7.48%	7.90%	8.31%
HRA	35.46%	37.83%	39.52%	40.30%

**DEFINITION OF TERMS**

**Capital Financing Requirement (CFR)** represents the Authority's underlying indebtedness for capital purposes, based on historic capital expenditure which hasn't yet been financed (e.g. from grants, capital receipts or revenue contributions).

**CIPFA** is the Chartered Institute of Public Finance and Accountancy - the leading accountancy body for the public services providing education and training in accountancy and financial management.

**Debt** refers to the sum of borrowing and other long-term liabilities.

**Internal Borrowing / Under-Borrowed** refers to the temporary use of cash resources (e.g. reserves earmarked for future capital expenditure or grants received in advance of expenditure) to avoid borrowing immediately, which seeks to reduce investment counterparty risk and create a short-term budget saving. The Authority will replace these cash resources with external borrowing as these spending commitments occur.

**Investments in Foreign Countries** refer to investments placed with counterparties from countries outside the UK (subject to a minimum sovereign rating of AA-).

**MHCLG** is the Ministry of Housing, Communities and Local Government) - a ministerial department responsible for UK Government policy on housing and public services.

**MRP** refers to the Minimum Revenue Provision - a statutory annual charge to the revenue account for the repayment of debt (as measured by the Capital Financing Requirement).

**Non-Specified Investments** refers to any financial investments (excluding loans) that do not meet the criteria to be treated as a specified investment.

**Other Long-Term Liabilities** mean the liabilities outstanding under credit arrangements (e.g. PFI contracts or finance leases).

**Prudential Borrowing** is capital spend not funded from actual cash (i.e. grants, capital receipts, reserves).

**Specified Investments** are short-term investments (i.e. less than 12 months) denominated in pounds sterling with a high credit quality.

**Treasury Management** refers to the management of the organisation'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.

This page is intentionally left blank

**BARNESLEY METROPOLITAN BOROUGH COUNCIL****FEES AND CHARGES 2025/26****1. Purpose of the report**

- 1.1 The purpose of this report is to outline the Council's fees and Charges policy for 2025/26 which are an integral part of the 2025/26 budget process.

**2. Recommendation**

**It is recommended that Cabinet:**

- 2.1 Approve the new and existing fees and charges set out in Appendix 1 for implementation from 1 April 2025 or later in 2025/26 as applicable.**
- 2.2 Note that additional reports will be submitted during the year if any further amendments to fees and charges are required.**
- 2.3 Note the Council's MTFs, Best Value Framework, Fees & Charges policy, and Income Generation Strategy in relation to fee implementation.**

**3. Introduction & Background*****Work Undertaken on Fees & Charges***

- 3.1 The Council is continuing to face unprecedented financial challenges and thus the consideration of all fees and charges is a key aspect in this context pressures remain despite a reduction in inflation. This, and the potential effects to the public and other Barnsley Council stakeholders, has been carefully considered in the review work carried out to determine proposed fees and charges for 2025/26.
- 3.2 All proposed fees and charges for 2025/26 have been considered in the line with the Fees & Charges Policy, included at Appendix 2. This provides a corporate framework within which all decisions on implementation and/or changes to the levels of fees and charges are considered and approved.
- 3.3 It should be noted that there may be further changes to fees and charges to be finalised as part of a wider consideration of individual service transformation plans.

***Fees & Charges Policy***

- 3.4 A significant element of the Council's activity is underpinned by income generated through a variety of fees and charges made in relation to such activities.

3.5 Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:

- Demonstrating the value of a service
- Discouraging abuse of a service
- Strengthening service and corporate objectives; and
- Promoting and encouraging access to services.

3.6 Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact on service users of any change in fees and charges is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

### ***Income Generation Strategy***

3.7 The overriding principle is to ensure that the Council's fees and charges are set within a value for money context where financial, performance, access and equality issues are considered fully and appropriately, and decisions are taken in a transparent and balanced way.

3.8 To aid delivery of this, the Council has in place an overarching MTFS / Best Value framework and an Income Generation Strategy, which sits below this and addresses income generation opportunities. These focus on the following themes:

- Developing a **commercial culture**.
- Ensuring **Value for Money** across all activities.
- Effective **commissioning, procurement, and contract management**.
- Identifying and developing innovative ways to **maximise income generation**.
- Effective **commercial governance** arrangements.
- **Support consistency** across the Council in its approach to income generation and commercial opportunities, including marketing, setting prices, and collecting fees and charges.
- Aim towards achieving **full cost recovery** where it is appropriate to do so and to **develop a standard approach to charging**.

3.9 The MTFS / Best Value Strategy is a key document in enabling the Council to adapt to an ever-changing marketplace and sets the framework for helping it to seek out new opportunities. This will support us to achieve our commercial aspirations but also potentially help deliver much needed additional income. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services providing our customers with the ability to buy bundles of products.



- Working collaboratively with other local authorities where significant commercial opportunities exist.
- Horizon scanning the marketplace to seek out and secure new commercial opportunities.
- Setting discretionary fees and charges in markets where flexibility is required.

3.10 With the above in mind, a full review of all existing charges has been undertaken by all Business Units. New opportunities have also been considered and reviewed. The outcome is presented in sections 4 and 5 below, with full details of all charges at Appendix 1 to this report.

**4. Existing Fees and Charges**

4.1 All relevant service areas have undertaken a full review of the current fees and charges under their respective remits. The following changes to existing fees and charges are proposed:

<b>Service</b>	<b>Basis of changes proposed</b>
Property Services	Property Services includes a wide range of fees and charges; the various charges are asset specific and are priced to market rates as contracts expire and are renewed.
Music Service	Increases are proposed in line with market intelligence and benchmarking.
Development Management	Transformation review of planning-related fees is ongoing; these will be updated and implemented once the review is complete.
Markets	Increases proposed for town centre outdoor market based on market intelligence. District market increases based on CPI; lower increase than town centre in line with demand.
Museums & Heritage Centres/Arts & Events	Increases are proposed, where applicable, based on market intelligence and investment in facilities; scalable charges are appropriate to allow for bespoke quotes. Daily parking at Cannon Hall and Worsbrough Mill remains unchanged in line with local benchmarking. Annual parking permit increase proposed based on market intelligence and CPI.
Gypsy & Traveller Sites	2.7% increase proposed to match social housing (HRA) rents (CPI + 1%)
Waste	Increases are proposed in line with market intelligence and benchmarking. Bin delivery charges for developers amended to ensure alignment with residential fees and safeguard future demand.
Neighbourhood Services	Operation of the allotments is under review and therefore no rent increases are planned until this is completed. Other fees individually priced or increased by CPI.
Stores/Depot	Increases are proposed in line with market

**SECTION 2d**

	intelligence.
Engineers	Increases are proposed in line with market intelligence.
Highways Licences, Permits & Services	Increases have been determined from a combination of CPI, market knowledge and benchmarking. Maximum permitted charge proposed for café licence fees as per 2023 legislation.
Traffic Signals	Increases have been determined from a combination of CPI, market knowledge and benchmarking.
Car Parking	Charges have been set as in line with the Council's new car parking strategy.
Pest Control & Drainage	Increases based on market intelligence; price on application model used where appropriate.
Sports	Increases are proposed in line with market intelligence.
Bereavement Services	Review of fees based on market intelligence (circa 6% increase where applicable). Direct cremation charge reduced by £45 (11.4%) in line with local market benchmarking and demand.
Adult Assessment & Care Management	Some fees determined individually (means-tested) or determined by Government. Assisted Living Technology fee increases are proposed in line with market intelligence.
Education, Early Start Provision & Safeguarding	Education welfare and governance/clerking fee increases are proposed in line with market intelligence. Appeal fees increased in line with Independent Remuneration Panel report to council which reset panel member fees after no increases for 8 years.
Environmental & Trading Standards	Increases are proposed in line with market intelligence where applicable; some fees are statutory and set by Government, some determined on a case-by-case basis.
Animal Welfare	Increases are proposed in line with market intelligence and benchmarking; some fees are statutory and set by Government, some determined on a case-by-case basis or through contractual terms.
Safer Communities	Penalty notice charges for graffiti and duty of care, and HMO licence fee, increased per recent Cabinet reports.
Registrars Marriages & Ceremonies	Discretionary fees increased as per decision in 2023/24 due to advance wedding booking up to two years in advance.
DBS Checks/Human Resources/Performance Services	DBS charges have been increased nationally as of 2 December 2024; therefore, DBS check fees have been increased to reflect this. Fees are made up of DBS cost plus administration fee. Other increases are proposed in line with market intelligence and benchmarking where applicable.
Legal	Commercial Property Services charges not reviewed since 2008; charges now reviewed and brought in line based on market intelligence and benchmarking. Annual reviews to take place from January 2026.

Hackney Carriage Licences	Increases proposed to fund additional resources in this area as per delegated report.
---------------------------	---

4.2 All other relevant fees and charges have also been reviewed and have either increased in line with inflation (rounded to nearest appropriate measurement), or no changes have been made (e.g., where the charges are set by statute, or a separate review is being undertaken).

4.3 In accordance with the overall review of all fees and charges, it is recommended that the schedule of existing fees and charges as set out in Appendix 1 are implemented from 1 April 2025 or later in 2025/26 as applicable.

## 5. New Fees and Charges

5.1 A review of all new opportunities available to the council, for which a charge can be levied in accordance with the council's policy, has been undertaken.

5.2 This review has identified the following new proposed fees and charges:

Charge	Basis of charges
District Markets	Trial period rates of £10 per day introduced across the Borough for start-ups.
Waste Services	New charge introduced to reflect increased cost of disposal of mattresses due to changes in legislation, as well as additional charges for administration fees. Review also being undertaken on the delivery charges being made for new waste bins
Highways Services	New charging opportunity identified for sale of data regarding the location of accident hot spots.
Traffic Signals	New charging opportunities identified for services to zebra crossings, street light testing, repair and installation, and seasonal lighting requirements.
Fly Tipping	New penalty charge of £1000 for fly tipping above five bags introduced following Cabinet approval.

5.3 It is recommended that these are implemented from 1 April 2025 as set out in Appendix 1 to this report.

This page is intentionally left blank

Hide Column for report

Hide Column

Hide Column Hide Column for report

FEES & CHARGES PROPOSALS FOR 2025/26

APPENDIX 1

Table with columns: Fee / Charge description, Statutory or discretionary?, Business HoS, Basis of charge, Charge for 2024/25, Working CPP, Charge for 2025/26, Percentage increase in fees, Finance Officer(s) Responsible, and Additional information to explain decision for charge. The table is organized into sections: GROWTH AND SUSTAINABILITY, REGENERATION & CULTURE, LEARNING AND SKILLS, BUILDING CONTROL, MUSIC SERVICES, DEVELOPMENT MANAGEMENT, MARKETS, DISTRICT MARKETS, and COMMERICAL SPACE MANAGEMENT.

Table with multiple columns: Category, Discretionary, Name, Description, Current Rate, Proposed Rate, % Change, and Comments. Rows include categories like Library fees, Car Parking, School Visits, Arts & Events, Landlords Accreditation, Gypsy & Traveller Sites, Waste, Neighbourhood Services, Streets/Deput, Highways Licences, and Bus Lane Enforcement.

There were no fee increases with the implementation of the new car parking machines due to timings. Daily parking charges are already higher than neighbouring car parks so no intention to increase further at the moment. New car parking machines now have ability to pay by credit card so will track over the coming months as to whether there is an increase in parking before considering any increases.

Proposed fees based on rates for similar commercial spaces. Proposed increase in line with market intelligence.

Fees based upon rounded CPI and market intelligence as required (Stable charges also used to enable bespoke bookings).

Increases in line with market value. Chartry rate increased following research of similar venues.

No change.

Increases in classroom hire fee - room recently extended due to staff well being removed. Room refreshed with paint, new flooring and window coverings. Room kitted out with additional furniture to accommodate larger hires, will project and screen.

In line with market value - Paul Stebbing to influence?

Based on market intelligence.

Based on market intelligence - figures rounded.

No changes - near market intelligence.

No changes proposed - per market intelligence.

2.7% proposed same as social housing (HRA) rents (September CPI + 1%)

Based on market intelligence.

Increases based upon market value and benchmarking.

Increased as per market intelligence.

New Charge 25/26.

Increases based upon market value and benchmarking.

New changes for 25/26. Added to reflect increased cost of disposal due to changes in legislation.

New changes for 25/26.

New changes for 25/26.

Based on market intelligence.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.

Increases to prices are derived from a combination of CPI consideration, market knowledge and benchmarking.









Housing Association Sales (FH & LH)	Discretionary	Andrew Parriman	Variable			Variable	N/A	Collette Tovey		
Donations to Social Enterprises / Charities	Discretionary	Andrew Parriman	Case specific			Case specific	N/A	Collette Tovey	including right to have to be assessed	
Leasehold Sale	Discretionary	Andrew Parriman	Percentage of leasehold price - 1.5%			Variable	N/A	Collette Tovey		
Option Agreement (including pre-emption agreements)	Discretionary	Andrew Parriman				From £2000	N/A	Collette Tovey		
Overseas Agreement	Discretionary	Andrew Parriman				From £2000	N/A	Collette Tovey		
Deed of Exchange	Discretionary	Andrew Parriman				£500.00	N/A	Collette Tovey		
Warranty Agreements	Discretionary	Andrew Parriman				From £500	N/A	Collette Tovey	Any negotiations start at hourly rate thereafter	
Books of Wills Orders	Discretionary	Andrew Parriman				£600.00	N/A	Collette Tovey		
Restrictive Covenants (request for consent / removal of restriction)	Discretionary	Andrew Parriman				From £150	N/A	Collette Tovey	£300 if applicant/documentation requires council to draft deed of covenant	
Variation (deed of variation lease)	Discretionary	Andrew Parriman				£950.00	N/A	Collette Tovey		
Funding agreement	Discretionary	Andrew Parriman				From £1000	N/A	Collette Tovey		
Section 106 agreement	Discretionary	Andrew Parriman				£500 + £100	N/A	Collette Tovey		
Section 106 variation	Discretionary	Andrew Parriman				From £750	N/A	Collette Tovey		
Section 88 or 278 agreement	Discretionary	Andrew Parriman				From £1500	N/A	Collette Tovey		
Highways										
S38 agreements	Discretionary	Andrew Parriman				£1,500.00	N/A	Collette Tovey		
S278 agreements	Discretionary	Andrew Parriman				£1,500.00	N/A	Collette Tovey		
Hybrid S38/S278 agreements	Discretionary	Andrew Parriman				£2000 + £2500	N/A	Collette Tovey		
Drainage / sewer and retaining wall easements	Discretionary	Andrew Parriman				£500 - £750	N/A	Collette Tovey		
Deed of dedication	Discretionary	Andrew Parriman				£500.00	N/A	Collette Tovey		
Deed of variation	Discretionary	Andrew Parriman				£800 - £750	N/A	Collette Tovey		
Statutory agreements e.g. s115	Statutory	Andrew Parriman				From £750	N/A	Collette Tovey		
Land Charges										
Land Charges Searches - Various Types	Statutory	Andrew Parriman	Dependant on type of Search	Determined individually		N/A		Collette Tovey		
ENTERTAINMENT LICENCES										
Licence Fees - Premises, Alcohol & Gambling	Statutory	Rachel Wilkinson	Per establishment	Variable. Dependent on available value of revenues		N/A		Louise Howell	No change proposed at this time - to be reviewed as part of a separate exercise - setting charges is subject to specific legal rules / process.	
Licence Fees - Premises - sex establishments	Statutory	Rachel Wilkinson	Per establishment		£234.00	£1.08	£234.00	0.0%	Louise Howell	
Neighbourhood	Statutory	Rachel Wilkinson	Per establishment		£117.00	£1.08	£117.00	0.0%	Louise Howell	Statutory charge Set by Government
Sexual	Statutory	Rachel Wilkinson	Per establishment		£234.00	£3.98	£234.00	0.0%	Louise Howell	
Unpaid	Statutory	Rachel Wilkinson	Per establishment		£34.00	£3.98	£34.00	0.0%	Louise Howell	
Magical	Statutory	Rachel Wilkinson	Per establishment		£34.00	£3.98	£34.00	0.0%	Louise Howell	
HARBOUR CARRIAGE LICENCES										
Private hire vehicle	Statutory	Rachel Wilkinson	Per licence application		£164.00	£8.20	£172.20	5.0%	Louise Howell	
A 12 month, taxable vehicle	Statutory	Rachel Wilkinson	Per licence application		£164.00	£8.20	£172.20	5.0%	Louise Howell	
A 12 month, driver licence	Statutory	Rachel Wilkinson	Per licence application		£137.00	£9.50	£146.50	6.0%	Louise Howell	
A 3 year driver licence	Statutory	Rachel Wilkinson	Per licence application		£221.00	£11.05	£232.05	5.0%	Louise Howell	
An Operator licence (1 year)	Statutory	Rachel Wilkinson	Per licence application		£93.00	£2.14	£95.14	2.0%	Louise Howell	
An Operator licence (1 year)	Statutory	Rachel Wilkinson	Per licence application		£127.00	£8.35	£135.35	6.0%	Louise Howell	These charges have not been reviewed for several years. The charges are being increased at a higher rate than CPI to fund additional resources committed to this area as per delegated report. Therefore I am not reflecting a budget increase in the following columns.

# Fees and charges policy

This policy explains how fees and charges are created and maintained across the council



## 1.0 Purpose

The council has reshaped and transformed itself into an effective, efficient, high performing and sustainable council. This has provided the foundations to ensure we are able to achieve our agreed priorities and outcomes as we continue our journey to 2030 and beyond.

The current council structure means that delivery of our key services is based on a Business Unit model supported by a strong and lean core. The financial outlook for the Future Council framework has been developed around a reducing resource envelope. By using its powers to charge for goods and services the council can generate additional income to support investment in services and/or reduce the overall level of expenditure to be met by local taxpayers.

Whilst being an important element of the overall financing of the council's services and activities, fees and charges can also have an important role in other areas such as:

- Demonstrating the value of a service
- Discouraging abuse of a service
- Strengthening service and corporate objectives
- Promoting and encouraging access to services

## 2.0 Scope

The overriding aim of this Fees and Charges Policy is to ensure that the council makes use of all the powers available to it to recover the full cost of providing services to enhance the social and economic wellbeing of the communities the council serves. In using these powers, the council must ensure that the consequences of charging on individuals and the wider aims of the council itself (and/or other organisations) do not adversely impact on those who are vulnerable or in difficulties.

Therefore, as well as ensuring that fees and charges are in line with council objectives, it is also good practice to ensure that the impact of any change on service users is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the council to account.

Maximisation of income, following a decision to charge, is also dependent on a charge being raised and that amount being collected in a timely way.

The Policy applies to all existing fees and charges as well as any new fee or charge which the council is eligible to levy, excluding:

- Council Tax & NNDR
- Housing rents and service charges
- Fees and charges fixed by statute

Managers must consider the application of this policy when:

- Setting fees and charges (excluding rates); and
- Reviewing fees and charges

### 3.0 Legal Position

The majority of the council's statutory services (Building Control being a key exception) are funded directly from the council's main sources of revenue, i.e., government grants and local taxation.

Income received by the council from fees and charges is generated by statutory and discretionary services and advertising and sponsorship opportunities. Where fees and charges apply to statutory services, these are often set nationally, for example, some planning and licensing fees.

Discretionary services are those that an authority has the power to provide but is not obliged to do so. They include services provided directly to the public in general, such as leisure services, as well as charges for the costs incurred by the council (such as legal costs) when entering into planning or highways agreements with specific persons.

Advertising and sponsorship provide an opportunity for organisations to publicise information likely to be of interest to residents through various council communication channels. All advertising and sponsorship must comply with the council's advertising and sponsorship policy which is located at <https://www.barnsley.gov.uk/media/23557/advertising-and-sponsorship-policy.pdf>

The legal powers that the council possesses to raise fees and charges are enshrined in specific provisions contained in both the Local Government Act 2003 and the Localism Act 2011.

Under the Localism Act 2011, there is a general power of competence which explicitly gives councils the power to do anything that an individual can do which is not prohibited by other legislation. This activity can include charging (e.g., to recover the costs of providing a discretionary service which the person has agreed to) or trading (e.g., to generate efficiencies, surpluses, and profits) through a special purpose trading company.

These powers are in addition to similar powers set out in the Local Government Act 2003. The 2003 Act empowers councils to charge for any discretionary services on a cost recovery basis. For example, the council could decide to provide a new discretionary service, that is an addition to or an enhancement of a statutory service, and then charge for it.

Statutory guidance published in 2003 outlines how costs and charges should be established, and that guidance remains in force (see: '*General Power for Best Value Authorities to Charge for Discretionary Services*', ODPM, 2003).

The guidance explains that for each discretionary service for which a charge is made, councils need to ensure that, taking one year with another, the income from charges for that service does not exceed the costs of provision. The requirement establishes the idea of balancing the books over a period of

time (not less than 1 year and no more than 3 years). Any over or under recovery that results in a surplus or deficit of income in relation to costs in one period should be addressed when setting charges for future periods so that over time income equates to costs.

The 2003 Act also enables councils to trade in activities related to their functions on a commercial basis with a view to profit through a company.

#### **4.0 Council Policy**

The council's Fees and Charges Policy provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved. This is supported by detailed schedules of fees and charges which are maintained by each service, and which must be reviewed on a quarterly basis in line with the council's quarterly forecasts and annual budget setting. The objective of this process is to provide flexibility to introduce new charges and/or amend existing ones within an agreed governance structure but at various times in the year and not just at budget setting.

To avoid changes impacting on the budget and MTFs, any in-year changes should be restricted to increases in rates. Any downward changes in prices will need the service to identify mitigations to bridge any income gap resulting from the change.

Clearly, future decisions on whether to charge and at what level to charge need to be considered within a framework that is used throughout the council to ensure clarity and consistency in the approach to decision making. All services must therefore comply with this Policy.

The key features to consider include:

- Fees and charges will be structured to support the council's Corporate Plan and encourage public engagement in policy development.
- The income generated from fees and charges will be used to support the work of the council.
- Fees and charges will normally be calculated on a full cost recovery basis, depending on the state of the market and any other relevant factors. Any fees and charges agreed to generate income greater than full costs should be clearly articulated as part of the decision. For example, at present, we generate a net revenue surplus on cremation charges. A justification for making this surplus may be that:
  - There are significant capital costs which are not included; revenue surpluses are required to contribute to capital costs.
  - We run the crematorium and burial services as a consolidated service. When considered together, a breakeven position is achieved.

- We are setting rates at market rates to generate reserves for the future and/or to support other associated services.
- Where appropriate, fees and charges should be reviewed every quarter in line with the quarterly forecast and annual budget processes.
- All concessions will be specified.
- Benchmarking and horizon scanning through market research, comparative data, management knowledge and any other relevant channels will be used where appropriate to ensure that charges are competitive, proportionate and do not adversely affect the take up of services.
- Fees and charges will not be used in such a way that would restrict access to information or services;
- The impact on income from fees and charges will be taken into consideration when a decision is taken to change any services provided by the council.
- The cost of collection will be considered to ensure that fees and charges are economical to collect; and
- The income generated from fees and charges will be monitored monthly as part of the council's budget monitoring process.

Through consideration of these factors and assessment of their relative importance for individual services, it is envisaged that the overall principal will be achieved.

## **5.0 Guidance on setting fees and charges**

The overall principle aim of the policy is to ensure that the council's fees and charges are set within a framework of Value for Money, whereby financial performance, access, and equality are considered fully and appropriately, and decisions taken represent a transparent and balanced approach. To aid delivery of this, the Council has in place:

1. A Commercial Strategy which can be accessed through the Commercial Toolkit:  
<https://barnsleycouncil.sharepoint.com/sites/toolkit/SitePages/Commerciality.aspx>
2. An Income Strategy – Barnsley Income Generation Strategy
3. Guidance for Managers set out in Appendix A of this policy.

The Commercial Strategy focuses on five key themes: -

- Developing a commercial culture
- Ensuring that we demonstrate Value for Money across all activities

- Developing the commercial lifecycle through effective, commissioning, procurement, and contract management.
- Identifying and developing innovative ways to maximising income generation
- Effective commercial governance arrangements

The Commercial Strategy is a key document to support the council in an ever-changing environment and sets out a framework for helping it to seek out the new opportunities on offer. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services and providing our customers with the ability to buy a package of products;
- Working collaboratively with other local authorities and partners where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required.

The Guidance for Managers, which is attached at Appendix A, sets out information for applying the fees and charges. The aim is to encourage a consistent and cost-effective approach to the setting of charges for services provided by:

- a. Specifying the process and frequency for reviewing existing charges for all areas of the council's work for which charges could in principle be set;
- b. Providing guidance on the factors that need to be taken into consideration when charges are being reviewed;
- c. Requiring more active use of market intelligence when setting charges;
- d. Establishing parameters for calculating different levels of charges;
- e. Recommending the criteria for applying concessions or discounted charges consistently across the council; and,
- f. Ensuring Finance is consulted at an early stage to provide support and ensure compliance with Financial Regulations.

## **6.0 Payment Methods**

The council provides a range of cost effective 24/7 payment options with a choice of frequencies. Not all payment methods will be available to all customers and there is a requirement for customers to use the most cost efficient and effective payment method for their circumstances. Payment by direct debit is the council's preferred/default payment option.



Payment for services, where possible, will be in advance or at the point of service delivery. To manage collection costs, a minimum level will be set below which a debt will not be raised and payment in advance will be required. These levels are outlined in the council's debt process appendices and more information can be found in the Corporate Debt Policy which is located at <https://homel.barnsley.gov.uk/Finance/Pages/Finance.aspx>

## **7.0 Equality Impact Assessments**

Under Section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act, promote equality of opportunity, and foster good relations between those who share a "protected characteristic" and those who do not. This is the public sector equality duty.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision.

Before the council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision-making process using the council's EA screening template.

## **8.0 Review of Policy**

This Policy is to be reviewed every year to ensure consistency with wider council and departmental objectives and priorities, as well as national policy changes and initiatives.

## Appendix A

### Fees and Charges Policy - Guidance for Managers

#### 1. Frequency for reviewing charges

The setting of appropriate fees and charges should be an integral part of service planning and improvement and therefore they should be reviewed on an ongoing basis and at least quarterly as part of the quarterly forecast exercise and the annual Service and Financial Planning process. This approach provides the flexibility to amend and vary the fees and charges at several times during the year to ensure that they remain consistent with the council's priorities, are fully recovering all costs and take account of service aims, market sensitivity and customer preferences.

To avoid changes impacting on the budget and MTFs, any in-year changes should be restricted to increases in rates. Any downward changes in prices will need the service to identify mitigations to bridge any income gap resulting from the change.

It is recognised that there may be services where it is appropriate to undertake annual reviews and implement within different timescales (e.g., education related services and packages will be based around the academic year).

This will allow the detailed schedule of fees and charges to be agreed and published each year following the setting of the overall budget but provide flexibility for these to be amended and updated proactively to reflect decisions made outside the annual budget setting cycle.

To assist this process, it will be important for services to challenge areas where charges could be made but are currently not to ensure that existing charges are set at the right price.

#### 2. Factors to consider when reviewing and setting new fees and charges

Reviews of charges will need to consider the following factors:

<b>Charge Related</b>	<b>External Factors</b>	<b>Internal factors</b>
Is the service applying the council's definition of full cost recovery?	Any special statutory requirements that need to be complied with e.g., requirement to consult or publish a notice in a local newspaper and social media.	Method and cost of income collection. Please refer to the council's Income and Debt collection policy for charges and minimum billing values.
Charges should be increased in line with inflation unless there is a good reason not to do so.	Trends in user demand and the forecast effect of price changes	Time factors where advance bookings have been taken, notifications to customers of any change to

		fees must be timely and in advance.
A consistent measure of inflation across services where possible. Services should use the Consumer Price Index (CPI) in the current year and compare to the previous year to derive the percentage change to apply.	Customer survey results.	Council-wide and service budget targets.
If fees are amended regularly during the year, consideration needs to be given to amending internal systems, particularly for prepayment customers.	Competitor charges and market conditions.	Proposals for targeted promotions during the year, and evaluation of any that took place in the previous year.
Whether it is being subsidised, and to what extent. Cross subsidisation is illegal.	The public sector equality duty (i.e., section 149 of the Equality Act 2010).	Cost structure implications arising from developments such as investments made in the service.
Alternative delivery models that could be more effective e.g., set up a Trading Company. The creation of BPL to manage and run the council's leisure facilities is a good example where this approach has worked very well.		

A list of questions to assist service managers to review fees and charges is provided at **Appendix B**.

#### 4. The use of market intelligence

Services with existing charges or where new charges are being introduced (particularly for services that have previously been provided for free) should consult with the market and users of the service on the range, quality and cost of the services. Where cost effective to do so, and we can identify willing parties, benchmarking should be carried out to compare the council's charges with others and to provide justification of any subsidy given by the council. This is necessary to understand the needs, behaviour and expectations of the market and its users, and their ability to pay.

Managers should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating comparability especially with regards to:

- the charging policy
- the range of services provided

- the quality of services provided
- their cost structure

Benchmarking should be undertaken regularly with other councils in the local area, service providers and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified. For support and guidance in this area, refer to the Benchmarking Toolkit which can be accessed through the Commercial Toolkit:

<https://barnsleycouncil.sharepoint.com/sites/toolkit/SitePages/Commerciality.aspx>

#### 4. Calculation of Fees and Charges

As noted earlier in sections 2 and 3, fees and charges must be set on a full cost recovery basis. Charges cannot be set at a level to recover more than cost if that is all the council has the legal power to do. The definition of cost includes:

a.	Direct costs of service provision*	Need to include fixed and variable costs in each area.
b.	Indirect costs; * and	
c.	Overheads and Central Service Charges (CSCs) which need to include financing and premises costs.	

\*see Appendix C for more information on each of these.

The cost recovery limit applies to the overwhelming majority of services which the council can set a charge for. If, however, the Council has the legal power to do so, careful consideration should be given to charging more than the full cost of the service. For example, charging could be used as a tool to manage excess demand e.g., demand for Tee times at the golf course on weekends. In overview, there are three ways in which fees and charges may be set:

- Fees and charges prescribed by legislation, usually in a regulatory context, and varied from time to time which the person liable has an obligation to pay;
- Fees and charges reviewed and set by members (e.g., Cabinet or Full Council) from time to time (usually annually); and
- Fees and charges reviewed and set by officers from time to time acting under delegated powers.

As part of the annual budget cycle each service will carry out a recalculation of existing fees and charges together with opportunities to raise additional income from new areas of charging, and present proposals for revised charges.

Guidance on calculating full costs is set out in **Appendix C**.

## **5. VAT**

It is important that the correct treatment of VAT is applied to fees and charges. VAT is a very complex area, and it is recommended that managers discuss the VAT treatment with Financial Services.

## **6. Fines/Penalties**

There may be circumstances where income generation is not the only key driver for the way in which charges are set, for example, where the council wishes to manage demand, or deter or incentivise certain behaviours such as encouraging re-cycling, discouraging trade use of civic amenity waste sites etc. In this context, however, the general principles of charging should apply and any charged activities, enforcement etc. must at least recover cost of providing the activity.

## **7. Concessions**

The purpose of offering concessions must be to support council priorities. It is important to note that concessions are not always appropriate or legal, for instance, if used to undercut competitors. For this reason, and to assess the impact on the overall income position, managers should consult with Financial Services prior to implementing concessions.

Generally, the reasons for operating concessionary charges will fall into one of two categories:

- to influence the level of demand for a service; or
- to reflect the circumstances of service users.

Concessions must also be reviewed at least on an annual basis, to confirm both the level of subsidy and their ongoing relevance.

Each service will maintain a list of concessions in operation and keep under review requests for concessions to be offered.

Some examples of concessions include, staff parking permits, parking season tickets, golf club weekday, weekend and twilight rates, golf discounts for societies etc., and a £5 staff discount for MOTs at Smithies.

Concessionary charges should not normally apply at times or in situations which would result in the loss of income from customers paying the full charge. Within the overall aim of minimising any social or economic barriers to the take-up of services, managers should at all times consider ways in which a proportion of income generated from charges could be used in the interests of social inclusion. The types of mechanisms that might be made available to encourage take-up of council services by disadvantaged groups might include transport to facilities, provision of childcare, additional promotional discounts to encourage use, or development activity to raise levels of aspiration. Accurate user statistics should be maintained to ensure that a subsidy being provided on social inclusion grounds is effective.

## **8. Unrestricted Statutory Fees and Charges**

The pure maximisation of revenue is not a bona fide consideration for imposing or increasing fees and charges. The key driver must be to manage demand or recover costs. In these instances, the council will have discretion as to whether to apply charges and the level of these charges. The council is also able to use any surpluses resulting from these charges across a wider range of services. One example of these is on-street car parking.

There are no legal limits on the amount that a local authority may charge for on-street parking but there are limits on the level of penalty charges that may be imposed. However, the level of on-street parking charges must be set for traffic management reasons, such as to ration available space and ensure that there is a rapid turnover of parking spaces and not to maximise revenue.

Whilst it is reasonable for a council to take due regard of estimated costs and income arising from the management of parking, it is not lawful for a local authority to use the Road Traffic Regulation Act 1984 to justify imposing charges to raise revenue. This is because section 122 of the Road Traffic Regulation Act 1984 does not include the maximisation of revenue from parking charges as one of the relevant considerations in securing the safe, expeditious and convenient movement of traffic.

If the amount raised exceeds the cost of administration of the current or previous year, the local authority may either roll the surplus forward to cover the costs of future parking controls or it may use the surplus for approved purposes, which are, in summary:

- Contributing to the cost of off-street parking.
- Where it appears to the local authority that there is sufficient off-street parking, contributing to the public passenger transport services, road improvements, environmental improvements and for some local authorities, any other lawful activity.

Therefore, local authorities are empowered not only to designate and control parking spaces in their area, but to keep the charges recovered. Surpluses may be carried forward until they are applied to projects that fall within the specific statutory purposes. These purposes are wide-ranging and, although in general they relate to transport services or to road improvements, are not limited to parking facilities or even vehicular transport.

## **9. Process for Reviewing and Setting New Charges**

In broad terms, setting fees for regulatory services (e.g., licensing, planning, etc.) are non-executive functions. These therefore need to be submitted to Full Council for approval annually. This can be done as part of the budget setting and approval process. Full Council can, however, delegate this function to a committee, officer etc.

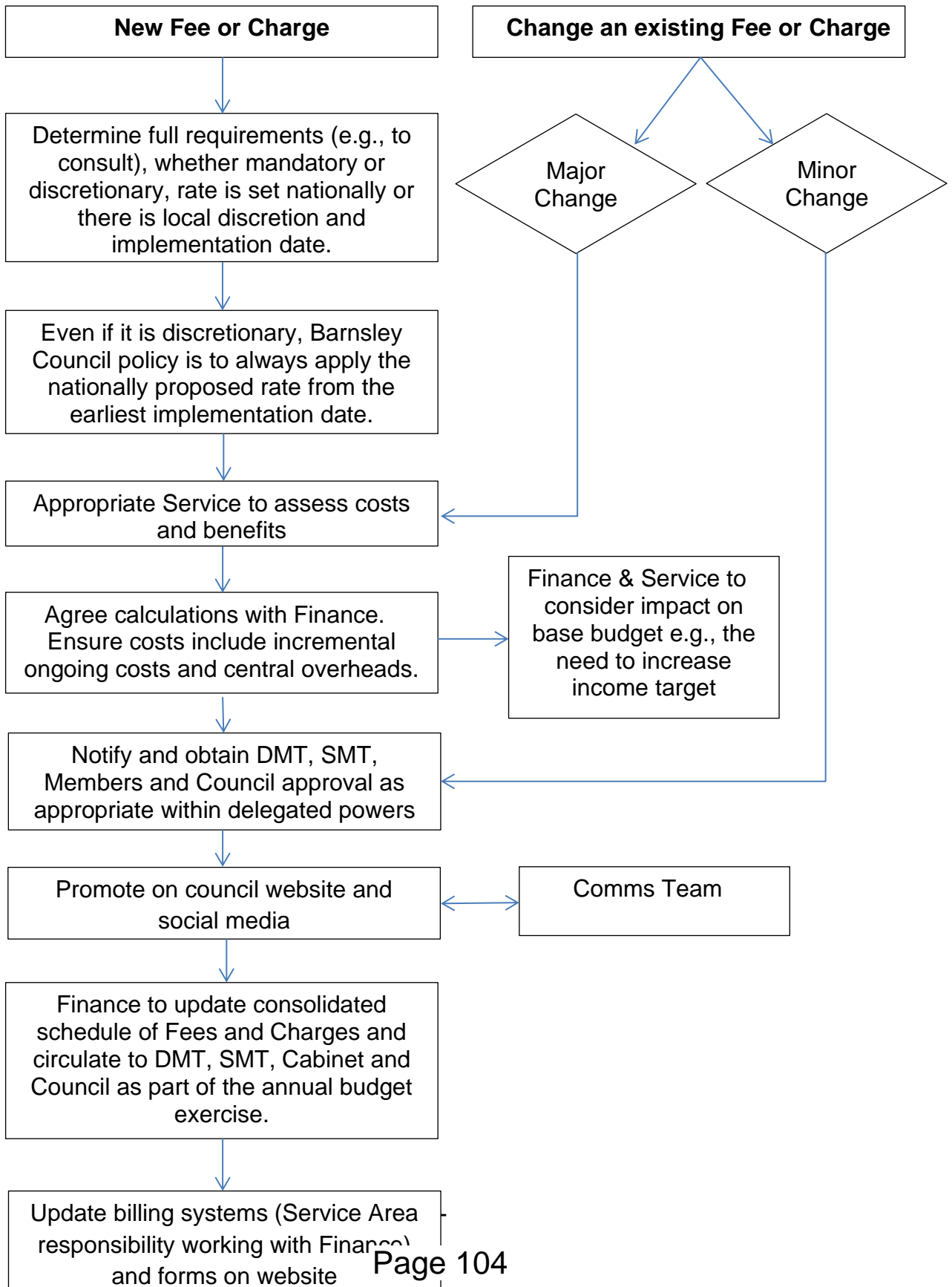
Fees and charges for discretionary services are usually executive functions and therefore need to be approved by Cabinet. Cabinet can, however, delegate this function.

As indicated previously, the process provides flexibility to amend or create new charges at almost any time throughout the year. Depending on the size and political sensitivity of these, the changes will need to be approved via the existing DMT/SMT/Cabinet reporting governance process in line with delegated powers.

The processes in the charts below should be followed for reviewing and setting new fees and charges.

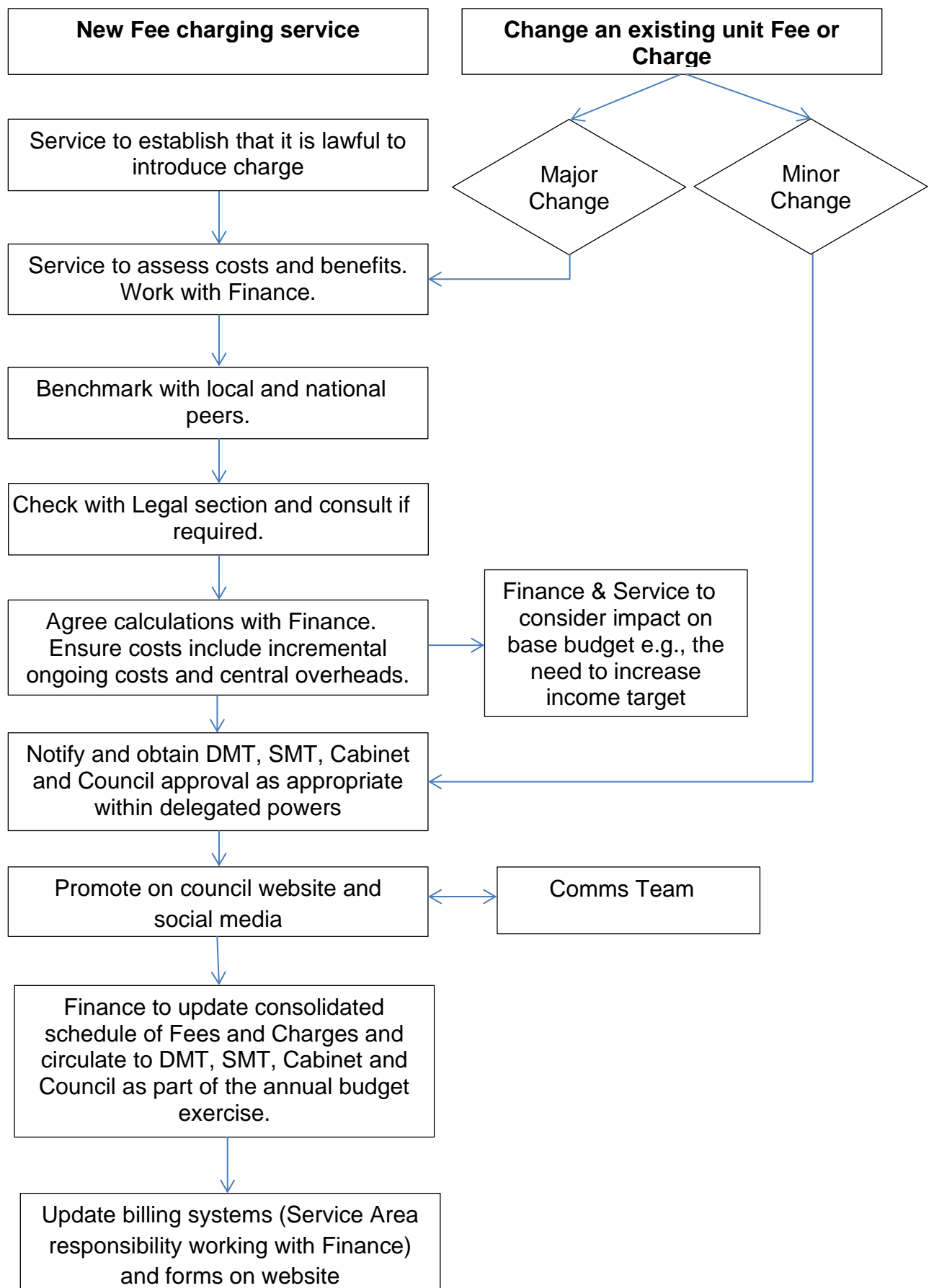
**Process for reviewing and setting fees and charges for regulatory services**

On a regular basis, annually as a minimum and well in advance of budget setting (as there may be need to consult), scan government notifications for service area and identify new fees and charges and/or changes to existing fees and charges.





**Process for reviewing and setting fees and charges for discretionary services**



## **Appendix B: Questions to be considered when setting charges**

The Head of Service is responsible for the target setting and performance management of income generation for their service area.

### **Charging Review – Questions to be considered**

The following questions, based on the Audit Commission's 2008 document "*Positively Charged*", are provided to assist service managers to undertake a review of their charges. These questions should be considered in conjunction with the council's Commercial Strategy which can be accessed through the Commercial Toolkit:

<https://barnsleycouncil.sharepoint.com/sites/toolkit/SitePages/Commerciality.aspx>

#### **1. What do we want to achieve including:**

- What objectives are we supporting with charges?
- How much income are we trying to generate and why?
- Whose use of services does the council wish to subsidise and by how much?
- Whose behaviour does the council wish to influence and in what ways?
- How will charges help improve value for money, equity and access to services?
- What principles should underpin our approach to charging?

#### **2. What's the current picture?**

- What is the current charge and what assumptions is this based on?
- How do charges compare to similar councils and other service providers?
- How are charges structured and why?
- Are cost effective mechanisms available for paying and collecting charges?
- Are the charging objectives being met?
- Are income targets being achieved?
- What is the impact, intended or unintended, of charges on local people?
- Which people are using services, and which aren't?
- Which users are paying for services, and which aren't?
- Are concessions being taken up by the people at whom they are targeted?
- Is the take-up of related benefits in this area being maximised?

#### **3. What do local people think of our charges?**

- Have service users and the public been consulted about the current and proposed charges plus their views on value for money of the service?
- Do service users and taxpayers understand our objectives and how the structure of our charges contributes to achieving them?

#### **4. What are the next steps?**

- What changes, if any, should be made to the level and structure of charges?
- How will the impact of charges be evaluated?
- What data will be required?
- Can the data be collected cost effectively?
- When will approach be reviewed?

## **Appendix C**

### **Calculation of Overheads Costs in Fees**

#### **1.0 Calculating the total cost of delivery**

Calculating the costs of a service is a complex process that overlays direct costs, service overheads and corporate overheads to produce a total service unit cost.

#### **1.1 Direct service costs**

Direct service costs are those costs which are directly attributable to providing the service that is being charged for and include items such as pay, national insurance and pension plus any associated costs such as travel, materials, printing, stationery – any costs that the service manager has within their budgetary control. The unit of cost would be based upon the service being offered – per instance, per hour, per session and would include all the direct service costs for providing that unit of service. Units may be combined if appropriate such as visits per week to calculate the cost of a visit.

#### **1.2 In-direct service costs**

These are costs which often need apportioning across different activities in the service area or directorate and so service managers must seek Finance support to derive these costs. This will include items such as, training, fleet costs, service management and service administration and support.

#### **1.3 Central Service Charges**

Central Services Charges (“CSCs”) include all central support services and overheads. It will include the Core and Corporate Services directorates and Financing and Investment costs and all other income and expenditure. It will also need to include property and associated asset management costs.

It’s difficult to calculate the corporate overheads in a complex organisation such as a council due to the range of services offered and how some of these are funded. However, this does need to be done to generate an indication of the true cost of operating the service for recharging purposes and to demonstrate that we are not making a profit.

For the reasons given above, and as calculating corporate overheads requires financial information from across the council, the calculation will be the responsibility of Financial Services who will provide the information in an easy to apply format in line with the budget setting timetable each financial year.

Incorporating the overheads into the cost of an activity provides the indicative full costs to the council of these services. Any cost generated in this way is for indicative purposes only and should not be treated as the cost that must be recovered through charging. The fees and charges applied will depend on political, economic and market factors and could range from nil to full cost recovery.

## **2.0 Alternatives for consideration**

The limiting factor in charging for goods and services provided is that in most cases it is limited to cost recovery only.

In comparison, trading for services allows for fees and charges to be regulated by the market. The limiting factor for trading is the market price for the service and the sustainability of any company set up specifically to trade for that service.

Ultimately, the maximum price for a service is set by the market. The decision as to whether to charge or to trade in the service is determined by the cost base for delivery of the service. If the market price is significantly higher than current charges and benchmarked charges, then serious consideration should be given to setting up a trading company for that service.

### BARNSELY METROPOLITAN BOROUGH COUNCIL

#### 2025/26 BUDGET RECOMMENDATIONS

##### 1. 2025/26 Revenue Budget, Capital Programme and Council Tax

1.1 Further to previous reports submitted by the Director of Finance (S151 Officer).

##### RECOMMENDED:

1.2 That Council are recommended:

- a) that the report of the Director of Finance (S151 Officer), under Section 25 of the Local Government Act 2003 at **Section 1** be noted, that the 2025/26 budget proposals be agreed and that the Chief Executive and Senior Management Team (SMT), in consultation with Cabinet Spokespersons, implement plans necessary to ensure the Council's ongoing financial sustainability in 25/26 and beyond.
- b) that the revised Medium Term Financial Strategy (MTFS) and Budget Forecast for 25/26 to 27/28 contained at **Section 2** (supported by the suite of background papers in **Sections 2a – 2d**) be noted and that these are monitored as part of the arrangements for the delivery of the MTFS.
- c) that provision be made of **£34.1M** to cover anticipated demographic and other cost pressures in 25/26:
  - Pay and Inflation (£8.7M).
  - Children's Social Care (Children in Care / Practice Improvement) (£4.8M).
  - Adult Social Care (Provider Fees / Practice Improvement) (£10.2M).
  - Social Care Demography (£2.7M).
  - Home to School Transport (£0.9M).
  - Waste & Fleet Services (£3.7M).
  - Homelessness & Temporary Accommodation (£0.6M).
  - Investment in Core Services (£2.5M).

be approved for inclusion in the budget as identified at **Section 2**.

- d) that revenue investments be made in the Great Childhood Ambition (£1.5M) and Community Enhancement (£1.5M) programmes on a pilot basis with a full review of the benefits and outcomes being submitted to members in due course. .
- e) that a contingency of £0.5M is held for additional pressures over and above those provided above.
- f) that one-off reserves of £5M be invested in a 2-year pilot child travel concessions scheme.
- g) that the increase in the general social care funding (£5.4M) be used to partly offset the pressures in Children's and Adult Social Care.
- h) that the new Recovery Grant (£7.9M) be used to offset the above pressures noting that

this funding is one-year only pending wider Local Government Finance reform.

- i) that funding received for Children's Prevention (£1.7M) and Extended Producer Responsibility (waste packaging) (£5.5M) be used in line with relevant funding conditions.
- j) that the proposed Phase 2 Service Review, Asset Management and other savings of £12.6M in 25/26 highlighted in **Section 2** and detailed at **Section 4a – 4e** be approved for implementation, noting that Members will receive further updates on options to deliver savings related to Early Years Nursery and Schools Catering provision.
- k) that the one-off New Homes Bonus received as part of the 2024 Local Government Finance Settlement be earmarked for previously agreed capital priorities.
- l) that the Council's Reserves Strategy and updated reserves position at **Section 2b** be approved noting that £5M has been identified as available for investment, whilst retaining Budget Resilience Reserve of £18M.
- m) that a separate £20M Minimum Working Balance is held as a contingency for unforeseen events.
- n) that the proposed changes to the 25/26 fees and charges policy and accompanying schedule of charges set out at **Section 2d** be approved.
- o) to submit to Council for approval the cash limited budgets for each Service with overall net expenditure for 25/26 of **£281.7M** (after efficiencies at **Section 4**) as highlighted in **Section 5a**.
- p) to consider the budgets for all services and approve, for submission into Council, the 25/26 – 27/28 budget proposals presented at **Sections 5a – 5c**, subject to Cabinet receiving detailed implementation reports where appropriate.
- q) to consider and approve the changes to the schools funding formula including the transfer of funding from the schools' block to the high needs block and approve the proposed 25/26 schools block budget as set out at **Section 5d**.
- r) note the indicative capital programme for 25/26 through to 28/29 of **£308M** with further detailed reports on individual schemes to be submitted where necessary (**Section 6 refers**).
- s) note that the above includes £2M provisionally set aside for additional investment in repairing the Borough's highways (principal roads / side streets) and that this will be released subject to receiving further reports on plans for its use.
- t) note that the above also includes £2M provisionally set aside for investment in small infrastructure projects within individual towns and villages across the Borough as part of the Community Enhancement programme and that this will be released subject to receiving a further detailed report on plans for its use.
- u) that the Chief Executive and SMT, in consultation with Cabinet Spokespersons, be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 25/26 on any further action required to achieve an appropriately balanced budget in addition to those proposals set out above.

- v) that the Chief Executive and SMT be responsible for managing their respective budgets including ensuring the implementation of all approved saving proposals.
- w) that the Authority's SMT be charged with ensuring that the budget remains in balance and report regularly into Cabinet on budget / savings monitoring including any action required.
- x) that Cabinet and the Director of Finance (Section 151 Officer) be authorised to make any necessary technical adjustments to form the 25/26 budget.
- y) Note that the appropriate consultation on the budget proposals has taken place with the Trade Unions and representatives of Non-Domestic Ratepayers and that their views of have been considered.
- z) that the Chief Executive, Director of Finance and SMT be tasked with undertaking a full mid-year [2025] budget review, to reflect the outcome of the Government Spending Review and progress with the Local Government Funding Reforms, with a view to developing a financial plan that permanently realigns recurrent income and expenditure over the longer term.
- aa) That a package of support for Retail, Leisure & Hospitality businesses across the borough is developed and implemented in time for the new financial year commencing 1st April 2025.

## **2. Council Tax 2025/26**

### **RECOMMENDED:**

2.1 That Cabinet note the contents of **Section 2a** (25/26 Council Tax options) and that:

- a) the Council Tax Collection Fund net surplus as at 31<sup>st</sup> March 2024 relating to BMBC of £1.6M be used to reduce the 25/26 Council Tax requirement, in line with statute.
- b) the 25/26 Band D Council Tax increase for Barnsley MBC services be set at 4.9% (2.9% for Core Council Services and an additional 2.0% for the Adult Social Care precept).
- c) the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police and South Yorkshire Fire Authority precepts for 25/26.
- d) the Band D Council Tax for areas of the Borough with Parish / Town Councils be determined following confirmation of individual parish precepts for 25/26.
- e) that changes be made to the local council tax support scheme as highlighted in **Section 2a**, effectively reducing the maximum discount for the lowest income households from 92.8% to 90.0% off the relevant bill, increasing the earnings disregard amounts, reducing the capital limits, introducing a deduction for non-dependents and introducing a new protected band for claimants with a disability but no earnings.
- (g) that a review of the new scheme be undertaken with an update being provided to Members later in 2025/26.

## **3. Treasury Management Strategy & Policy Statement 2025/26**

**RECOMMENDED:**

3.1 that Cabinet approve the 25/26 Treasury Management Strategy and Policy Statement (included in the main papers at **Section 2c**) and specifically:

- a) approve the 25/26 Treasury Management Policy Statement (**Section 2c Appendix A**).
- b) approve the 25/26 Minimum Revenue Provision (MRP) Statement (**Section 2c Appendix B**).
- c) approve the 25/26 Borrowing Strategy at **Section 2c** including the full suite of Prudential and Treasury Indicators (**Section 2c Appendix C**).
- d) approve the 25/26 Annual Investment Strategy at **Section 2c**.



## SUMMARY EFFICIENCY PROPOSALS

SECTION	SUMMARY OF SAVINGS PROPOSALS	TOTAL
4a	CORPORATE	£1,043,000
4b	CORE	£1,522,000
4c	CHILDRENS	£3,931,000
4d	GROWTH & SUSTAINABILITY	£4,310,000
4e	PLACE HEALTH & ASC	£965,000
4f	PUBLIC HEALTH & COMMUNITIES	£715,000
	TOTAL	£12,486,000

### Equality Impact assessments

Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act, and promote equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not. This is the public sector equality duty.

The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and, marriage and civil partnership.

The purpose of the duty is to assess whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Before the Council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision making process using the Council's Equality Impact Assessment process.

We have assessed the proposed efficiency savings for 2025/26 to ensure that none of the protected characteristic groups have the potential to be disproportionately adversely affected. A separate report is available on request to this effect

All areas undertaking efficiency savings also undertakes an impact assessment to ensure due regard is paid to our legal obligations, with mitigations being considered if there is potential to disproportionately adversely affect a protected characteristic group.

SUMMARY EFFICIENCY PROPOSALS  
CORPORATE

CORPORATE PROPOSALS			TOTAL
CORP1	Staff Parking Permits	Increase the price of Staff Car Parking Permits from £17.50 to £25 (£5.75 per week) and then increase by CPI each year	£88,000
CORE3	Business Support	Business Support - services repatriated & re-engineered e.g use of CO-Pilot	£430,000
CORP2	Stop providing mobile phones for all employees and elected members	Removing the provision of employee and elected members mobile phones and move solely to Bring Your Own Device (unless by exception)	£200,000
CORP3	Review of car mileage policy	Stop payments for additional passengers	TBD
CORP4	Capital Financing	Further review of Capital Financing budgets following positive outturn in 24/25	£300,000
<b>TOTAL1 NO / MINIMAL RISK</b>			<b>£1,018,000</b>
CORP5	Miscellaneous Supplies & Services	Various efficiencies across supplies and services costs	£25,000
<b>TOTAL 2 SOME RISK BUT MANAGEABLE</b>			<b>£25,000</b>
<b>TOTAL Corporate</b>			<b>£1,043,000</b>

**SUMMARY EFFICIENCY PROPOSALS****CORE DIRECTORATE**

<b>CORE DIRECTORATE</b>			<b>TOTAL</b>
CORE1	Operational Finance	Service redesign / minor restructure following transformation process	£140,000
CORE2	Corporate Finance	Service redesign / minor restructure following transformation process	£150,000
CORE4	Human Resources	Service redesign – e.g. exploring self-serve models	£166,000
CORE5	Communications & Marketing	Full service re-design following transformation process	£115,000
CORE6	Governance	Staffing restructure and recovery of costs associated with school appeals	£226,000
CORE7	Remove employee survey / benchmarks (Best Companies)	Alternate practices / data analysis for managed removal of external employee survey	£23,000
CORE8	Restructure of Core Services	Minor restructuring of finance, procurement ,	£80,000
		SAP Support	£70,000
		IT Peripherals	£70,000
<b>TOTAL 1 LOW / MINIMAL RISK</b>			<b>£1,040,000</b>
CORE9	Refreshed Member Development Offer	Revised 'core' and 'supplementary' Member training offer, including enhanced on-line offer	£32,000
CORE10	Spotlight magazine	Cessation of Spotlight Magazine and replace with suitable alternative	£50,000
<b>CORE11</b>			
CORE12	School Meal Efficiencies	Review of the School Meals Efficiencies - TBD	£400,000
<b>TOTAL 2 SOME RISK BUT MANAGEABLE</b>			<b>£482,000</b>
<b>TOTAL CORE DIRECTORATE</b>			<b>£1,522,000</b>

**SUMMARY EFFICIENCY PROPOSALS**  
**CHILDREN'S DIRECTORATE**

<b>CHILDRENS SERVICES</b>			<b>TOTAL</b>
<b>DIRECTORATE</b>	<b>PROPOSAL</b>	<b>DETAILS/ COMMENTS</b>	<b>EFFICIENCY EXPECTED</b>
CH 1	Children in Care & Leaving Care	Delivery of actions in the sufficiency strategy e.g post 16 care leavers	£1,900,000
CH 2	Children's Development Plan	Fall out of non-recurrent funding / agency cost reduction	£1,360,000
<b>TOTAL 1 NO / MINIMAL RISK</b>			<b>£3,260,000</b>
CH 3	Cease use of family star licences	Risk mitigated by transition to signs of safety/wellbeing practice model	£8,000
CH 4	Cease research in practice subscription	Mitigated from other options / opportunities to gain this knowledge elsewhere	£18,000
CH 5	Remodelling Targeted Youth Services - 10% reduction	Remodeling of targeted youth services mainly through reduction in 1-2-1 support. Any impact will be mitigated by working with other partners (e.g Youth Zone / Youth provider alliance).	£125,000
CH 6	Reduce Family Time Team by 1 Family Support Worker	Less family time required due to stabilising Children in Care numbers & requirement of social workers to observe family time in line with practice standards	£40,000
CH 7	Review of Council childcare provision	Review of the 6 childcare settings which offer 15 hours of funded childcare for children	£480,000
CH 8	Good practice costs less	Legal saving from proceedings being concluded more timely and reduction in hearings	TBD
<b>TOTAL 2 SOME RISK BUT MANAGEABLE</b>			<b>£671,000</b>
<b>TOTAL Childrens Proposals</b>			

SUMMARY EFFICIENCY PROPOSALS  
GROWTH SUSTAINABILITY DIRECTORATE

<b>GROWTH &amp; SUSTAINABILITY</b>			<b>TOTAL</b>
G&S 1	Housing & Energy	Capitalisation of staffing costs against housing projects	£30,000
G&S 2	Home to School Transport / Other	Additional income from car parking and general F&C	£450,000
G&S 3	Asset Management Strategy	Savings from 4 themes: 1.Strategic 5-year Land Disposal 2.Improved Commercialisation 3.Sustainability & Energy Management 4.Operational Estate – Asset Rationalisation	£3,080,000
G&S 4	Divest of Barnsley Golf Course	Review alternative options - community asset transfer, alternative provider.	£30,000
G&S 5	Economic Regeneration – further capitalisation of staff	Capital project(s) over and above those currently being worked on – deemed low risk	£45,000
G&S 6	Rationalise stores function at smithies depot	Proposal to purchase directly from external suppliers rather than holding parts and materials in stock {JIT}	£50,000
G&S 7	Revised charging model for waste bin delivery	Levy a charge for each waste bin delivered as opposed to one charge per delivery	£50,000
<b>TOTAL 1 LOW / MINIMAL RISK</b>			<b>£3,735,000</b>
G&S 9	Barnsley Premier Leisure	Introduce management fee for support to BPL	£25,000
G&S 10	Reduce contributions to Civic Trust	50% reduction in operating subsidy to the Civic Trust (removing altogether generates a further £100k).	£100,000
G&S 11	Economic Regeneration – business case development	To be funded in future by SYMCA / other feasibility funding	£100,000
G&S 12	Street lighting	Dimming street lighting to save on energy costs (requires significant capital investment)	£350,000
<b>TOTAL 2 SOME RISK BUT MANAGEABLE</b>			<b>£575,000</b>
<b>TOTAL Growth &amp; Sustainability</b>			<b>£4,310,000</b>

**SUMMARY EFFICIENCY PROPOSALS  
PLACE HEALTH ADULT SOCIAL CARE DIRECTORATE**

<b>PLACE HEALTH &amp; ASC</b>			<b>TOTAL</b>
ASC1	Day Services	Review of day services transport & venue costs	£200,000
ASC2	Reduce supported living TUPE contract costs	TUPE contracts costs have naturally reduced	£25,000
ASC3	Remove shared lives on call service	Risks mitigated by new Emergency Duty Team arrangements	£40,000
ASC4	Reduced levels of demand within Adults SC through Better Lives	Demand levels are less than originally forecast due to integrated front door / Better Lives Programme	£500,000
<b>TOTAL 1 NO / MINIMAL RISK</b>			<b>£765,000</b>
ASC5	Review of workforce profile	Service re-design and restructure across ASC Services to reflect current / future workforce profile. Process needs to be managed carefully to reduce any negative impact on service users / mitigate risks	£200,000
<b>TOTAL 2 SOME RISK BUT MANAGEABLE</b>			<b>£200,000</b>
<b>TOTAL Place Health &amp; Adults</b>			<b>£965,000</b>

**SUMMARY EFFICIENCY PROPOSALS  
PUBLIC HEALTH COMMUNITIES DIRECTORATE**

<b>PUBLIC HEALTH &amp; COMMUNITIES</b>			<b>TOTAL</b>
PH & COMMS1	Healthier Commissioning – Contracts review	Maximising external funding and decommissioning non-stat services •Procurement of contracts or use of alternative funding (BCF) •Decommission Street Pastors contract •Decommission HumanKind contract	£181,000
PH & COMMS2	Safer Barnsley – Reducing temporary accommodation costs	Continuation from previous year (temporary accommodation inc. HRA properties)	£74,000
PH & COMMS3	Libraries Restructure	Restructure in Libraries Service [in progress]	£100,000
<b>TOTAL 1 NO / MINIMAL RISK</b>			<b>£355,000</b>
PH & COMMS5	Reduction in cost of service PH Nursing (£50k) PH Core (£100k)	Reducing staffing and other costs in a managed way / adverse impacts mitigated	£150,000
PH & COMMS6	Decommission Healthier Communities Services: -Age Friendly (£15k) -Access Barnsley Mobility Scooters (£20k) -BOPPPA (£85k) -Healthy Weight Management (90k) -Poverty Action initiatives (£75k)		
<b>TOTAL 2 SOME RISK BUT MANAGEABLE</b>			<b>£210,000</b>
<b>TOTAL Public Health &amp; Communities</b>			<b>£715,000</b>

This page is intentionally left blank

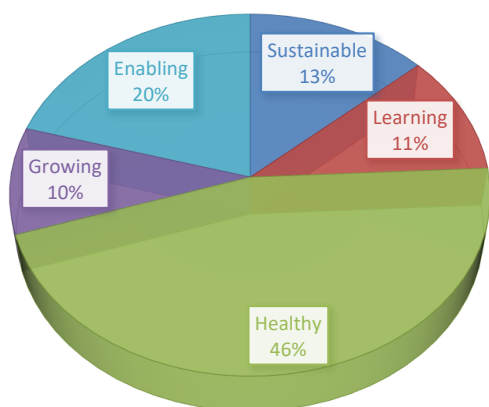


**SUMMARY SPENDING PLANS 2025/26**

SPEND BY DIRECTORATE	OPENING 2025/26 RESOURCE ENVELOPE	ADD			SUB-TOTAL PRE EFFICIENCIES	LESS	REVISED 2025/26 RESOURCE ENVELOPE
		Pay*	Demography & Demand	Investment		Efficiencies	
	EM	EM	EM		EM	EM	EM
<b><u>CHILDRENS DIRECTORATE</u></b>							
Education and Early Start Prevention	10.455				10.455	-0.671	9.784
Children Assessment and Care Management	52.249		4.800	1.500	58.549	-3.260	55.289
<b>TOTAL CHILDRENS</b>	<b>62.704</b>	<b>0.000</b>	<b>4.800</b>	<b>1.500</b>	<b>69.004</b>	<b>-3.931</b>	<b>65.073</b>
<b><u>GROWTH &amp; SUSTAINABILITY</u></b>							
Regeneration and Culture	15.872				15.872	-3.267	12.605
Environment and Transport	40.985		4.000	1.000	45.985	-1.043	44.942
<b>TOTAL GROWTH &amp; SUSTAINABILITY</b>	<b>56.857</b>	<b>0.000</b>	<b>4.000</b>	<b>1.000</b>	<b>61.857</b>	<b>-4.310</b>	<b>57.547</b>
<b><u>PLACE HEALTH &amp; ADULTS</u></b>							
Adults Assessment and Care Management	62.334		10.217		72.551	-0.965	71.586
<b>TOTAL PLACE HEALTH &amp; ADULTS</b>	<b>62.334</b>	<b>0.000</b>	<b>10.217</b>	<b>0.000</b>	<b>72.551</b>	<b>-0.965</b>	<b>71.586</b>
<b><u>PUBLIC HEALTH &amp; COMMUNITIES</u></b>							
Public Health	3.506				3.506	-0.150	3.356
Safer, Stronger & Healthier Communities	6.719		0.600	0.500	7.819	-0.565	7.254
<b>TOTAL PUBLIC HEALTH &amp; COMMUNITIES</b>	<b>10.225</b>	<b>0.000</b>	<b>0.600</b>	<b>0.500</b>	<b>11.325</b>	<b>-0.715</b>	<b>10.610</b>
<b><u>CORE DIRECTORATE</u></b>							
Finance	6.381		0.500		6.881	-0.890	5.991
IT	8.358		1.000		9.358	-0.140	9.218
HR, Performance & Communications	6.441		0.500		6.941	-0.386	6.555
Legal & Governance	5.260		0.500		5.760	-0.226	5.534
<b>TOTAL CORE</b>	<b>26.440</b>	<b>0.000</b>	<b>2.500</b>	<b>0.000</b>	<b>28.940</b>	<b>-1.642</b>	<b>27.298</b>
<b><u>CORPORATE BUDGETS</u></b>							
Levies	1.511				1.511		1.511
Corporate & Democratic Core	0.569				0.569		0.569
Capital Financing	18.012		0.570		18.582	-0.300	18.282
Corporate Budgets & Provisions	17.987	7.311	4.115	0.579	29.992	-0.743	29.249
<b>TOTAL CORPORATE</b>	<b>38.079</b>	<b>7.311</b>	<b>4.685</b>	<b>0.579</b>	<b>50.654</b>	<b>-1.043</b>	<b>49.611</b>
<b>TOTAL NET BUDGET</b>	<b>256.639</b>	<b>7.311</b>	<b>26.802</b>	<b>3.579</b>	<b>294.331</b>	<b>-12.606</b>	<b>281.725</b>

\*pay budgets to be finalised following agreement of 2025 pay offer

**SPEND BY PRIORITY**



## DIRECTORATE SUMMARY SPENDING PLANS 2026/27

DIRECTORATE	OPENING 2026/27 RESOURCE ENVELOPE	ADD			REVISED 2026/27 RESOURCE ENVELOPE
		Pay	Demography & Demand	Investment	
	£M	£M	£M	£M	£M
<b><i>CHILDRENS DIRECTORATE</i></b>					
Education and Early Start Prevention	9.784				9.784
Children Assessment and Care Management	55.289		0.600		55.889
<b>TOTAL CHILDRENS</b>	<b>65.073</b>	<b>0.000</b>	<b>0.600</b>	<b>0.000</b>	<b>65.673</b>
<b><i>GROWTH &amp; SUSTAINABILITY</i></b>					
Regeneration and Culture	12.605				12.605
Environment and Transport	44.942		0.700		45.642
<b>TOTAL GROWTH &amp; SUSTAINABILITY</b>	<b>57.547</b>	<b>0.000</b>	<b>0.700</b>	<b>0.000</b>	<b>58.247</b>
<b><i>PLACE HEALTH &amp; ADULTS</i></b>					
Adults Assessment and Care Management	71.586		2.000		73.586
<b>TOTAL PLACE HEALTH &amp; ADULTS</b>	<b>71.586</b>	<b>0.000</b>	<b>2.000</b>	<b>0.000</b>	<b>73.586</b>
<b><i>PUBLIC HEALTH &amp; COMMUNITIES</i></b>					
Public Health	3.356				3.356
Safer, Stronger & Healthier Communities	7.254				7.254
<b>TOTAL PUBLIC HEALTH &amp; COMMUNITIES</b>	<b>10.610</b>	<b>0.000</b>	<b>0.000</b>	<b>-</b>	<b>10.610</b>
<b><i>CORE DIRECTORATE</i></b>					
Finance	5.991				5.991
IT	9.218				9.218
HR, Performance & Communications	6.555				6.555
Legal & Governance	5.534				5.534
<b>TOTAL CORE</b>	<b>27.298</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>27.298</b>
<b><i>CORPORATE BUDGETS</i></b>					
Levies	1.511				1.511
Corporate & Democratic Core	0.569				0.569
Capital Financing	18.282		0.570		18.852
Corporate Budgets & Provisions	29.249	3.611	0.800		33.660
<b>TOTAL CORPORATE</b>	<b>49.611</b>	<b>3.611</b>	<b>1.370</b>	<b>0.000</b>	<b>54.592</b>
<b>TOTAL NET BUDGET</b>	<b>281.725</b>	<b>3.611</b>	<b>4.670</b>	<b>0.000</b>	<b>290.006</b>

## DIRECTORATE SUMMARY SPENDING PLANS 2027/28

DIRECTORATE	OPENING 2027/28 RESOURCE ENVELOPE	ADD		REVISED 2027/28 RESOURCE ENVELOPE
		Pay	Demography & Demand	
	£M	£M	£M	£M
<b><i>CHILDRENS DIRECTORATE</i></b>				
Education and Early Start Prevention	9.784			9.784
Children Assessment and Care Management	55.889		0.600	56.489
<b>TOTAL CHILDRENS</b>	<b>65.673</b>	<b>0.000</b>	<b>0.600</b>	<b>66.273</b>
<b><i>GROWTH &amp; SUSTAINABILITY</i></b>				
Regeneration and Culture	12.605			12.605
Environment and Transport	45.642		0.700	46.342
<b>TOTAL GROWTH &amp; SUSTAINABILITY</b>	<b>58.247</b>	<b>0.000</b>	<b>0.700</b>	<b>58.947</b>
<b><i>PLACE HEALTH &amp; ADULTS</i></b>				
Adults Assessment and Care Management	73.586		2.000	75.586
<b>TOTAL PLACE HEALTH &amp; ADULTS</b>	<b>73.586</b>	<b>0.000</b>	<b>2.000</b>	<b>75.586</b>
<b><i>PUBLIC HEALTH &amp; COMMUNITIES</i></b>				
Public Health	3.356			3.356
Safer, Stronger & Healthier Communities	7.254			7.254
<b>TOTAL PUBLIC HEALTH &amp; COMMUNITIES</b>	<b>10.610</b>	<b>0.000</b>	<b>0.000</b>	<b>10.610</b>
<b><i>CORE DIRECTORATE</i></b>				
Finance	5.991			5.991
IT	9.218			9.218
HR, Performance & Communications	6.555			6.555
Legal & Governance	5.534			5.534
<b>TOTAL CORE</b>	<b>27.298</b>	<b>0.000</b>	<b>0.000</b>	<b>27.298</b>
<b><i>CORPORATE BUDGETS</i></b>				
Levies	1.511			1.511
Corporate & Democratic Core	0.569			0.569
Capital Financing	18.852		0.570	19.422
Corporate Budgets & Provisions	33.660	4.200	0.800	38.660
<b>TOTAL CORPORATE</b>	<b>54.592</b>	<b>4.200</b>	<b>1.370</b>	<b>60.162</b>
<b>TOTAL NET BUDGET</b>	<b>290.006</b>	<b>4.200</b>	<b>4.670</b>	<b>298.876</b>

This page is intentionally left blank

## BARNSELY METROPOLITAN BOROUGH COUNCIL

## 2025/26 SCHOOLS DELEGATED BUDGETS

1. Purpose of the Report

- 1.1 To seek approval for the proposed 2025/26 schools' budget and for the transfer of schools' funding to the high needs budget, following consultation with schools and the Barnsley's Schools Forum.

2. Recommendations

- 2.1 That Cabinet approves the local schools funding formula and the proposed schools' budget as outlined in this report - subject to the outcome of the submitted Disapplication Request to DfE (see para 2.2).
- 2.2 That Cabinet approves the transfer of funding (1%) from the schools' block (£2M) to the high needs block (subject to DfE's approval).

3. Schools Funding Settlement 2025/26

- 3.1 Details of the 2025/26 funding settlement for schools was announced on 19 December 2024. The total schools funding for Barnsley for 2025/26 is **£301.1M**. This equates to a **£28.6M** increase in funding compared to 2024/25 (£301.1M - £272.5M). The table below compares Barnsley's DSG allocation for 2024/25 to the current year on an equivalent basis.

	2025/26 £M	2024/25 £M	Change £M
Schools Block	218.095	202.747	15.348
High Needs Block	46.035	42.154	3.881
Early Years Block	35.330	25.991	9.339
Central Schools Services	1.673	1.575	0.098
	<b>301.133</b>	<b>272.467</b>	<b>28.666</b>

- 3.2 The following summarises the main funding changes in 2025/26:

- **Schools Block** – the increase in funding of £15.3M is attributed to increase in pupil numbers (£1.3M) as per the October 2024 schools census, roll in of previous year grants (£11.0M) (TPAG, TPECG and CSBG) and increased funding (as announced by the Government in the 2024 Autumn Statement) allocated through the National Funding Formula (£3.04M).
- **High Needs Block** – the £3.9M funding increase is due to increased funding through the high needs National Funding Formula (£3.8M); and the increase in pupils in special schools (£0.1M). The increased high needs funding reflects

the additional £1Billion investment announced by the Government in the Autumn Statement to support SEND pupils and address increasing pressures in the high needs budget.

- **Early Years Block** – the significant increase in funding relates to the following:
  - a 4.4% increase in the 3- & 4-year-old early years funding rate;
  - a 3.2% increase in the disadvantaged and extension of the working 2-year-old early years funding rate plus increased uptake (£2m); and
  - a 3.0% increase in the newly introduced (September 2024) early years childcare funding entitlement for working parents with children aged 9 months and above funding rate and increased uptake (£6.8M).

#### 4. **Barnsley's Schools Funding formula (2025/26)**

4.1 A consultation exercise was undertaken in November 2024, which sought views on changes to Barnsley's schools' funding formula. The aim was to deliver on the Government's requirement for further alignment of the local school's formulae to the national formula. The outcome of the consultation was reported to the Schools Forum on 19 December 2024.

4.2 The following, reflects the main implemented changes to Barnsley's local funding formula for 2025/26:

- Increase in the basic entitlement unit funding for primary and secondary in line with the 2025/26 national formula values.
- Increase in the unit funding rates in the Barnsley's formula to the national formula level for the following funding factors: Low Prior Attainment; Mobility, sparsity, and English as an Additional Language (EAL).
- Increase in the Deprivation funding rates is in line with minimum NFF funding levels.
- Increase in the Lump Sum factor to £0.145M per school to match the NFF amount.
- Continue to protect schools from adverse formula changes by setting the Minimum Funding Guarantee (MFG) at 0% (in line with the national formula).
- Growth funding will be managed outside the funding formula based on the Council's Pupil Growth criteria. The amount to be top sliced from the schools' block for 2025/26 is £0.1M (based on an assessment of existing commitments and planned growth).

#### 5. **Funding transfer to high needs**

- 5.1 Barnsley continues to face increased cost pressures in the high needs block, with a deficit budget currently projected for 2025/26. Per the most recent Safety Valve return submitted to the DfE, the 2025/26 in year deficit is project to be £4.8M<sup>1</sup> (cumulative £17.5M<sup>2</sup>). There is local flexibility for the transfer of funding from the schools to high needs block in 2025/26, subject to Schools Forum approval (DfE approval is required for transfers above 0.5%).
- 5.2 The Council has consulted with schools and the Schools' Forum on the proposal to transfer 1% of the schools' funding to the high needs block. The funding transfer proposal was approved by the Schools' Forum on 19 December 2024. This is still subject to DfE approval which is not expected to be confirmed until the end of January 2025. However, the attached schools' budget proposal put forward, although assumes DfE approval of the 1% funding transfer, is based on a 0.8% transfer. This is to ensure no detriment to individual school budgets resulting from changes to the funding formulas.
- 5.3 The transferred funding will be used to fund the commissioning of new SEND places in local Barnsley schools – to stem the placements in costly independent settings.

## **6. Proposed 2025/26 Schools Delegated Budget**

- 6.1 Submission of Barnsley's schools funding formula and confirmation of political ratification of the schools' budget is required by DfE. The table below outlines the proposed schools' budget for 2025/26 and reflects the changes to Barnsley's local schools' formula as detailed in paragraph 4.2 and the funding transfer as outlined in paragraph 5.2 (subject to DfE decision).
- 6.2 In summary, the 2025/26 school funding financial settlement is more challenging than seen in previous years, particularly in the cash standstill position of a 0% minimum funding guarantee set by DfE. The proposed budget seeks to protect schools, ensuring no adverse effect to individual schools. However, any future increases (for example pay awards) will pose a financial strain on already stretched school budgets.

---

<sup>1</sup> Before Safety Valve and local contributions.

<sup>2</sup> Cumulative DSG deficit including Safety Valve payments and local contributions.

	2024/25 Budget	2025/26 Budget	Variance
	£'000	£'000	£'000
Schools block funding	202,747	218,095	15,348
Growth fund	-600	-100	500
Funding transfer to high needs block*	-2,010	-1,735	275
	<b>200,137</b>	<b>216,260</b>	<b>16,123</b>

\*2025/26 funding transfer subject to DfE approval

1) Age Weighted Pupil Unit (AWPU)	139,827	151,410	11,583
2) Deprivation	23,262	26,100	2,838
3) English as an Additional Language	873	1,082	210
4) Mobility	104	176	72
5) Prior Attainment	11,918	12,008	91
6) Lump sum	11,792	12,760	968
7) Sparsity	46	50	4
8) Split Site	121	122	1
9) Minimum pupil funding	367	284	-83
10) Minimum Funding Guarantee	52	232	180
Capping/Scaling	0	-232	-232
11) Rates	1,753	2,006	253
12) PFI funding	10,024	10,262	238
	<b>200,137</b>	<b>216,260</b>	<b>16,123</b>



### 2025/26 – 2028/29 CAPITAL INVESTMENT PROGRAMME

#### 1. Purpose of Report

- 1.1 To agree the 2025/26 capital investment programme and future year emerging priorities.

#### 2. Recommendations

It is recommended that:

- 2.1 **Members note the Council's plan for identifying and prioritising capital investment needs;**
- 2.2 **Members note the Council's revised capital investment programme totalling £307.7M [General Fund £228.8M and Housing £78.9M], with major approved projects detailed in paragraph 5.3;**
- 2.3 **Members note a further £61.7M of external funding opportunities which will be drawn into the programme if formal approval is reached, bringing the total indicative capital programme over the period to £369.4M. Further details of this in paragraph 7.2;**
- 2.4 **Members note the Council's overall highways and transport capital funding totalling £83.0M over the 5-year period to 2028/29, and approve in principle the £10.4M 2025/26 maintenance allocation subject to receiving a more detailed report for its use;**
- 2.5 **Members approve in principle the £2.0M Community Enhancement infrastructure investment subject to receiving a more detailed report for its use, as set out in paragraph 5.12;**
- 2.6 **Members note the Council's operational asset replacement programme, as set out at paragraph 5.13 – 5.15;**
- 2.7 **Members approve in principle the Council's schools and disabled facilities grant allocations (£10.4M) subject to receiving a more detailed report for its use, as set out in paragraphs 5.16 – 5.23 and detailed in Appendix 2;**
- 2.8 **Members note the Council's Housing Investment Programme for 2025/26-2028/29 totalling £44.8M, described in paragraphs 5.24 – 5.26, approved by Council on 6<sup>th</sup> February 2025;**
- 2.9 **Members note and agree 'in principle' the external funding opportunities available as outlined in section 6 of this report (paragraphs 6.1 - 6.9). Additional reports are to be submitted for Members' consideration as funding is confirmed;**
- 2.10 **Members note that no further schemes will be progressed unless external funding is secured or upon agreement by the Director of Finance, details in paragraphs 7.5 - 7.6.**

### 3. Background and Context

3.1 The proposed 25/26 Capital Investment Programme is largely derived via detailed consideration of the following three key strategies’:

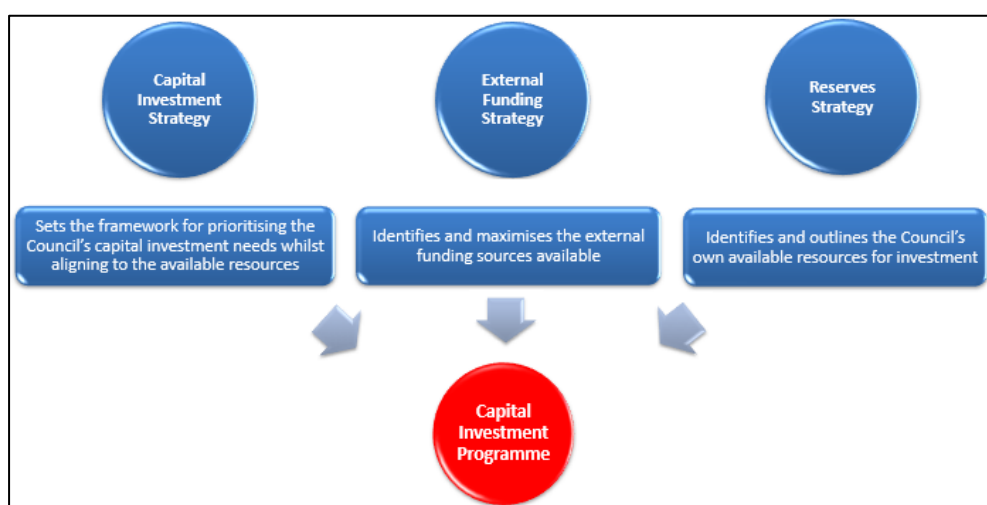
- **The Capital Investment Strategy 2025/26** – this strategy sets out the overall framework for identifying and prioritising the Council’s capital investment priorities and seeks to align those priorities against all available resources. Members are asked to note that included within, and integral to this, is the Council’s Place Based Investment Plan (PBIP).

The PBIP, which was approved by Cabinet in 2022, seeks to deliver the infrastructure and assets necessary to support the delivery of the Barnsley 2030 vision and wider South Yorkshire Renewal Fund Programme – which is reflected in the scheme proposals contained in this report.

- **The External Funding Strategy** – this strategy provides a framework that supports the Council in identifying and then optimising external funding opportunities in support of the Council’s strategic objectives; and
- **The Reserves Strategy 2025/26** – this strategy aims to maximise, and efficiently allocate, available one off reserves and balances to support investment proposals that achieve the Council’s strategic objectives.

3.2 All three strategies work together to identify priorities and all available resource options (whether they be internal, external or combined) to progress our ‘pipeline’ of investment proposals that meet the Council’s priorities. The strategies also work to identify where any funding gaps or barriers, such as funding eligibility, exist.

3.3 The diagram below describes the interaction between these strategies when considering investment proposals.



3.4 This report introduces the totality of investment proposals being considered as part of the 2025/26 to 2028/29 Capital Investment Programme and provides a more

detailed overview of resources currently available, along with identifying future funding gaps and opportunities.

#### 4. **The Prioritisation Approach**

4.1 The Capital Investment and External Funding strategies set out the principles and processes which govern the prioritisation of the capital investment programme and it is within this context that all new investment proposals have been considered.

4.2 Members should note that the only new investment proposals to be considered, outside of any external funding allocations (Section 5 details) and external funding opportunities (Section 6 details) are the additional £2.0M investment in continuing the additional programme of repairs to the Borough's highways and £2.0M investment in Community Enhancement.

#### 5. **Capital Programme and 2025/26 Proposals**

##### Current Capital Programme

5.1 The Council's capital programme totals £284.9M, split between general fund investments of £206.0M and housing investments of £78.9M. These investments all relate to previous decisions taken by the Council and are fully funded. Works which have been approved but are yet to be drawn down are included within this figure, this is to provide the most accurate position possible at this point in time.

5.2 This report is seeking approval of new allocations totalling £22.8M which will be added to the capital programme upon consideration of this report and will take the revised investment programme to £307.7M. This updated position is reflected in the table below, with further details in paragraphs 5.6 – 5.30

	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	Total £M
<b>Current Capital Investment Programme</b>	<b>137.0</b>	<b>82.2</b>	<b>63.7</b>	<b>1.0</b>	<b>1.0</b>	<b>284.9</b>
<b><u>New Approvals</u></b>						
Highways & Transport Investment (Table 2)	-	10.4	-	-	-	<b>10.4</b>
Community Enhancement (Table 3)	-	2.0	-	-	-	<b>2.0</b>
Schools & Disabled Facilities Investment (Table 4)	-	10.4	-	-	-	<b>10.4</b>
<b>Total New Approvals</b>	<b>-</b>	<b>22.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.8</b>
<b>Revised Current Capital Investment Programme</b>	<b>137.0</b>	<b>105.0</b>	<b>63.7</b>	<b>1.0</b>	<b>1.0</b>	<b>307.7</b>

5.3 An update of the major schemes in progress is provided below:

- **Barnsley Youth Zone**

The Youth Zone project involves a £10.4 million investment in a new youth facility adjacent to the Barnsley Interchange. This state-of-the-art space will provide a safe environment for young people to build their skills and confidence, offering over 20

activities. Barnsley council has contributed £4.8 million towards the construction, with the facility expected to open in August 2025.

- **The Seam Phase 1**

This focuses on the redevelopment of the lower seam car park into a high-quality urban park. This project includes landscaped areas, seating and feature lighting. Additionally, 292 parking spaces will be refurbished including the installation of electric vehicle chargers, improved lighting, and CCTV. The project is currently at the RIBA stage 3 design phase, with an expected completion date of February 2026. The project is expected to cost £8.5 million and will be largely funded from Future High Streets grant funding.

- **Health on the High Street**

The Health on the High Street project aims to redevelop the Alhambra Shopping Centre into a health and wellbeing hub. This initiative builds on the successful Community Diagnostic Centre in the Glassworks and is expected to be completed by 2027. The hub will offer vital health services including a 'Your Space Feel Good Hub' and an outpatients' facility with the aim of improving health outcomes by making services more accessible and reducing traffic and parking pressure around the hospital. Design and associated costings for the scheme are currently in development – these will be presented to Cabinet when formed. It should be noted that whilst Long Term Gainshare allocations are available to fund the scheme, the Council's S151 Officer is currently exploring a range of alternative resourcing options to ensure the optimum, best value funding package is applied to the scheme.

- **Principal Towns**

This initiative aims to revitalize Cudworth, Hoyland, Wombwell, Royston, Goldthorpe, and Penistone. Completed projects include the Shop Front scheme, which has enhanced over 500 shops, whilst significant improvements have been made to Hoyland Town Square and Wombwell High Street. Mapplewell Village Hall and New Lodge Community Centre have both undergone refurbishments. Current projects include major roofing replacement works at Penistone Town Hall and repairs and refurbishment at Wombwell Football Club. These projects are expected to be completed by 2025/26.

- **Goldthorpe Towns Fund**

The Goldthorpe Towns Fund programme has been funded by £23.1M from the Government's Towns Fund grant monies. The programme focuses on regenerating Goldthorpe, Thurnscoe, and Bolton Upon Dearne. Major projects include the construction of a new access roundabout on the A635, which provides access to the ES10 Employment site and connects the Dearne Valley economic growth corridor. Minor outstanding works are expected to be finished in 2025/26. The Goldthorpe Housing Regeneration Project involves the acquisition and demolition of 30 properties, the development of nine new energy-efficient affordable homes, and the creation of two new areas of greenspace and public realm, along with alleyway and rear property boundary improvements. This project is anticipated to be completed by March 2027.

- **Elsecar ‘Forging Ahead’**

Elsecar is advancing with a £3.93 million investment from the Cultural Development Fund, administered by Arts Council England. This funding is being used to refurbish a major indoor events space and deliver a new collaborative cultural engagement project. The project will also create a new accessible creative workspace, a refurbished museum space, and contribute to extensive essential drainage works at the site, as well as public realm refurbishment works. Work has already commenced on site, with the project expected to be completed by March 2026.

- **City Region Sustainable Transport Settlement – Transport Schemes**

CRSTS has allocated £50 million for various transport projects across Barnsley aimed at driving growth and productivity through infrastructure investment, levelling up services, increasing connectivity, and decarbonising transport by promoting a shift from cars to public transport, walking, and cycling. Further details of this can be found in Appendix 1. All projects under this initiative are expected to be completed by March 2027.

- **Levelling Up Fund 2 Projects**

The second round of the LUF 2 has provided £10.2 million for four key projects. The **Northern Academy of Vocal Excellence (NAVE)** is transforming the former computer centre into a new home for the Barnsley Youth Choir, with the project expected to be completed by September 2025. The **Barnsley YMCA** is undergoing refurbishment to include a sports hall and new facilities for the Chilypep charity, with an expected completion date of March 2025. The **Barnsley Civic** building has been refurbished to attract new audiences and interact with younger audiences, with the project completed and opened in September 2024. Additionally, a new **Youth Activity Park** is being developed next to the new Barnsley Youth Zone, featuring a skate park, bike track, pump track, and Parkour area. This project is currently in the design phase, with site clearance work already started with an expected completion date of May 2025.

#### Future Funding Identified

- 5.4 The Council has also identified a further £61.7M of funding which has been provisionally set aside for future capital schemes. This is made up entirely of external funding opportunities detailed in Section 6.
- 5.5 Any amounts will be released into the programme only if formal approval is reached for use against a specific project.

#### 2025/26 Investment Proposals

##### Highways Capital Investment

- 5.6 The Council has been allocated grant resources across the 5-year period 24/25 through 28/29 as part of the City Region Sustainable Transport Settlement (CRSTS). This funding is split into two allocations:

- £28.2M being 5 years' funding for the Council's highway maintenance programme – equating to c.£5.1M per annum for 25/26 and c.£6.0M per annum from 26/27; and
  - £50.4M in respect of one-off strategic highways infrastructure projects.
- 5.7 The highways grant allocation for 25/26 totals £5.1M and comprises the Local and Neighbourhood Transport Programme (£1.1M) and a Transport Network Asset Maintenance Programme (£4.0M); both of which are available to invest in the Borough's highways maintenance needs. In addition, a further £3.3M of the council's own resource is contributed annually towards the highways maintenance budget.
- 5.8 Furthermore, it is recommended that an additional £2M is provisionally set aside to accelerate the repair the Borough's highways (principal roads / side streets). These resources will be released pending approval of further reports.
- 5.9 It should be noted that the Council has also developed a number of strategic infrastructure projects totalling £50.4M, including active travel hubs and routes, quality bus corridors and improvements to key roundabouts. These have been approved previously, with Members asked to note the re-profiled amounts on the individual projects as stated in Appendix 1. These amounts will be drawn down and released into the programme via the full approval process.

Table 2 – Highways & Transport Capital Investment

	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	TOTAL £M
<b>Specific Funding to be Approved</b>						
<u>Highways Maintenance</u>						
Local Highways Maintenance Programme	5.100	5.100*	6.000	6.000	6.000	<b>28.200</b>
BMBC Highways Maintenance	-	3.300*	-	-	-	<b>3.300</b>
BMBC Additional Highways Investment	-	2.000*	-	-	-	<b>2.000</b>
<b>Total for Approval</b>	<b>5.100</b>	<b>10.400</b>	<b>6.000</b>	<b>6.000</b>	<b>6.000</b>	<b>32.600</b>
<b>Funding Allocations to be Re-Profiled</b>						
<u>Strategic Infrastructure</u>						
Various Infrastructure Projects (Appendix 1)	6.799	12.284	31.306	-	-	<b>50.389</b>
<b>Total Highways Investment</b>	<b>6.799</b>	<b>12.284</b>	<b>31.306</b>	<b>6.000</b>	<b>6.000</b>	<b>82.989</b>

\* This report is seeking approval in principle of the £5.1M Local Highways Maintenance Programme monies for 25/26, £3.3M Highways Maintenance monies and £2.0M additional highways investment, all of which are considered on an annual basis.

5.10 It is recommended that the proposals that relate to specific annual government allocations are progressed immediately, in line with the Council's existing governance arrangements. **Recommendation 2.4 refers.**

5.11 In addition to the above allocations, the Autumn Budget has confirmed that further funding will be released to Combined Authorities in the coming years. This includes £500M for road maintenance/potholes, £100M for cycling/walking infrastructure improvements and £200M relating to electric vehicle infrastructure. Details of any Barnsley allocation will be provided to members in future reports.

#### Community Enhancement Programme

5.12 An additional £2M has been set aside to contribute to Community Enhancement infrastructure projects across the borough. This may include infrastructure improvements including street furniture, allotments and waste bins with the intention to create added value and pride in all communities. A detailed breakdown of proposed schemes will be provided to Cabinet in future reports. **Recommendation 2.5 refers.**

Table 3 – Community Enhancement Investment

	2025/26 £M
<b>Specific Funding to be Approved</b>	
Community Enhancement Programme	2.000
<b>Total</b>	<b>2.000</b>

#### Council Replacement Programmes

5.13 The Council has two rolling programmes whereby certain assets are replaced when required to ensure services can be delivered effectively. The two priorities are as below:

- **Bin Replacement Programme:** A three-year rolling programme where bins are replaced across the Borough.
- **Vehicle Replacement Programme:** Dealing with replacing specialist Council vehicles at the end of their useful life.

5.14 The Council's Bin Replacement Programme is currently in the second year of its rolling cycle with budgets approved in 2024/25. Further approval will be sought from the 2027/28 financial year.

5.15 The vehicle replacement programme is currently being assessed and any budget requirement will be sought via a separate report provided to members. This is being done to ensure it falls in line with the new guidance detailed in paragraphs 5.28 - 5.30.

Schools / Disabled Facilities Capital Investment

- 5.16 The Council also receives annual allocations to invest in its schools infrastructure and in disabled facilities in private properties.

School Maintenance Programme

- 5.17 Anticipated resources in 25/26 (£0.637M) relate to investment and maintenance in the schools' stock, early years settings and children's centres (maintenance allowance).

School Admission / Basic Need Programme

- 5.18 In February 2021, the Government announced they would be determining Basic Needs allocations based on the Department for Education's annual Schools Capacity (SCAP) survey. This assesses the number of places available in individual areas, overlaid by the ONS birth data to identify where shortfalls potentially exist in 4/5 years' time. This formula currently expects no shortfall of places in Barnsley and therefore no funding is anticipated for 25/26.

School High Needs Provision (SEND)

- 5.19 This grant (estimated at £6.128M for 25/26) is provided to support the Council with the delivery of new and improved provision for children with Special Educational Needs and disabilities (SEND) within the Borough.
- 5.20 As part of the Autumn Budget an amount estimating £240M has been committed to support SEND across the country including improving the number of placements available. Details of the allocation for Barnsley will be provided to Members in future reports.

Disabled Facilities Programme (DFG)

- 5.22 The Council is expected to receive an estimated grant allocation totalling £3.683M for 25/26 relating to the DFG element of the Better Care Fund.

Table 4: Specific Funding - Schools / Disabled Facilities Capital Investment

	2025/26 £M
<b>Specific Funding to be Approved</b>	
School Maintenance Programme (indicative) *	0.637
School Admissions Programme	-
High Needs Provision (SEND) *	6.128
Disabled Facilities Programme (indicative) *	3.684
<b>Total</b>	<b>10.449</b>



\* Figures based on 2024/25 allocation as no figures released by Central Government at the time of writing this report.

5.23 It is recommended that the proposals that relate to specific annual government allocations are progressed immediately, in line with the Council's existing governance arrangements. **Recommendation 2.7 refers.**

#### Housing Capital Investment

5.24 The Council's housing capital investment is as follows:

- **Core Programme** – including the annual Decency programme that maintains key components [kitchens, bathrooms, windows, doors, heating systems, roofs etc.] of c.1,200 house, and the supplementary programme that provides for structural works, disabled adaptations and major void works to the housing stock;
- **Housing Growth / Added Value Investments** – targeted investment based on the Council's strategic housing priorities.

5.25 These schemes, already approved by Council for period 2024-28, are shown in the table overleaf.

Table 5: Housing Capital Investments

<u>Programme</u>	<u>Investment Proposal</u>	<b>TOTAL £M</b>
Core	HRA BHS Programme	19.906
Core	HRA Supplementary Works	20.906
<b>Sub Total – Core Programme</b>		<b>40.812</b>
Housing Growth	New Build Programme	4.000
<b>Sub Total - Housing Growth / Added Value</b>		<b>4.000</b>
<b>2025 - 2029 Capital Investments</b>		<b>44.812</b>

#### Revised Total Capital Investment Programme

5.27 On the basis that the above investment proposals are approved alongside the housing investment of £44.8M (already approved by Members on 6<sup>th</sup> February 2025), the total revised approved capital programme will be **£307.7M**, aligned to the Council's Corporate Priorities (see Appendix 4).

#### IFRS 16 – Changes to Leases

5.28 From 1<sup>st</sup> April 2024 IFRS 16 came into effect which impacts how the Council accounts for all leases across the organisation. The change impacts the capital programme, with all leases which meet the criteria to be accounted for on balance sheet and thus reflected within the capital programme.

5.29 Members should note that officers are currently undertaking an in-depth review of all leases to ensure the Council is compliant with the new regulations.

5.30 An update will be provided to Members within the Quarter 1 2025/26 capital report and any formal request for funding will reach cabinet via the usual governance process.

## 6. External Funding Bids / Opportunities

6.1 This section provides an overview of the two known externally provided sources of capital funding that are considered likely to impact on the Council's capital programme from 2025/26 onwards.

6.2 It is important to note that the external funding environment is currently in a period of transition following the election of a new Government. There is an expectation that alternative funding opportunities will emerge when the Government's economic policies are fully formed – these will be subject to further reports to Members when the detail is known.

### Funding Bids Notionally Agreed - Pending Formal Approval

#### Long Term Gainshare (LTGS)

6.2 Significant LTGS allocations have been made to the four South Yorkshire Authorities as part of government's devolution deal with SYMCA. Allocations by authority are shown in the table overleaf:

Business Stock	Allocation Adjusted		26 Years		Annual	
	%	%	Capital £m	Revenue £m	Capital £m	Revenue £m
MCA		20.00%	£94	£62	£3.60	£2.40
BMBC	16.11%	12.89%	£60	£40	£2.32	£1.55
DMBC	23.42%	18.74%	£88	£58	£3.37	£2.25
RMBC	19.02%	15.22%	£71	£47	£2.74	£1.83
SCC	41.45%	33.16%	£155	£103	£5.97	£3.98
	<b>100.00%</b>	<b>100.00%</b>	<b>£468</b>	<b>£312</b>	<b>£18.00</b>	<b>£12.00</b>

6.3 LTGS will be released over a 26-year period. For Barnsley this equates to a combined allocation of over £100M comprising; £60.3M in capital allocations; and £40.3M in revenue funding.

6.4 Two major schemes are currently being considered for LTGS funding:

- **Town Centre Improvements**

LGTS has been earmarked to fund further improvements within the town centre, specifically the Health on the High Streets (HoHS) health and wellbeing hub within the Alhambra centre. It is anticipated that the scheme will be implemented in two phases:

- **Phase 1:** Supporting leasehold acquisition and initial capital works; and

- **Phase 2:** Funding additional capital works and commercial strategy to facilitate retail consolidation and creation of a health and wellbeing hub.

*Members are asked to note that whilst Long Term Gainshare allocations are available to fund the scheme in its entirety, the Council's S151 Officer is currently exploring a range of alternative resourcing options to ensure the optimum, best value funding package is applied to the scheme.*

Cabinet will receive a further report detailing the proposed funding package when scheme proposals are further refined and greater cost certainty has been established. To date, £4.6M in Long Term Gainshare funding has been received from SYMCA to support HoHS scheme 'development costs'.

- **Principal Towns & Local Centres Programme**

The council will seek to use Gainshare to support a third Phase of the Programme – approval to use funds for this purpose will be subject to the approval of a business case by SYMCA.

- 6.5 Remaining LTGS will be released subject to further reports into Cabinet. The release of funding is incumbent on Full Business Case (FBC) approval by SYMCA. BMBC Officers are currently working to develop the requisite business cases to secure the release of funding.

Long Term Plan for Towns (LTPT)

- 6.6 In the Autumn Statement 2024 the Government confirmed that *the Long-Term Plan for Towns will be **retained** and **reformed** as part of a wider regeneration programme. A new prospectus and associated documents will be published in due course.*
- 6.7 For Barnsley this will mean the allocation of circa £15m in Capital and £5m in revenue funding over a 10-year period.
- 6.8 Confirmation of the timing of the programme and a finalised prospectus are awaited, the current expectation is that a limited amount of programme development funding will be released in 2025/26 with the remaining funding released from 2026/27.

Table 5: External Funding Opportunities

Source	External Funding Bids	Funding Confirmed £M	Notionally Agreed £M	Total £M
SYMCA	Long Term Gainshare	4.600	55.720	60.320
SYMCA	Long Term Plan for Towns (LTPT)	-	15.000	15.000
<b>Sub Total – External Funding Bids</b>		<b>4.600</b>	<b>70.720*</b>	<b>75.320</b>

*\*The attached include capital elements of funding only, any revenue elements will be reported separately*

- 6.9 Of the above amounts, £4.6M relates to funding already confirmed and released into the programme. A further £70.7M has been notionally agreed and will be drawn down as and when business cases are formally approved. It is expected this will be released into the programme as per the below table, with £61.7M relating to this reporting period to 2028/29.

2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	In Period £M	Future Years £M	Total £M
17.220	21.500	21.500	1.500	<b>61.720</b>	9.000	<b>70.720</b>

## 7. Conclusion and Next Steps

- 7.1 This report is seeking the formal approval of the highways & transport, schools and disabled facilities investments for 25/26 which totals £22.8M.
- 7.2 On the basis that the above are approved by Members, the revised approved programme will sit at £307.7M, with the total indicative capital programme over the period estimated at £369.4M. This includes any funding which has been identified for use on future schemes pending formal approval. Section 6 details these amounts.

	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	Total £M
<b>Revised Current Capital Investment Programme</b>	<b>137.0</b>	<b>105.0</b>	<b>63.7</b>	<b>1.0</b>	<b>1.0</b>	<b>307.7</b>
<b>Funding Identified for Future Use Pending Further Approval</b>	-	<b>17.2</b>	<b>21.5</b>	<b>21.5</b>	<b>1.5</b>	<b>61.7</b>
<b>Revised Total Indicative Capital Investment Programme</b>	<b>137.0</b>	<b>122.2</b>	<b>85.2</b>	<b>22.5</b>	<b>2.5</b>	<b>369.4</b>

- 7.3 The Council has also set aside a small contingency pot to be used against capital projects should any urgent works need undertaking. Any use of this will be communicated through necessary approval channels and/or future quarterly capital monitoring reports.
- 7.4 Progress against external funding bids will be reported as circumstances dictate.

### Future Capital Proposals

- 7.5 In line with the wider Council message to avoid non-essential spend due to the current financial challenges, no further capital schemes will be progressed unless external funding is identified and secured, or by exception on agreement of the Director of Finance/Cabinet.
- 7.6 Proposals regarding health and safety, statutory compliance and business critical work will be considered on an exceptions basis, and if agreed as a priority will be funded from the capital contingency reserve. This is in order to keep the Council safe and maintain / protect service delivery.

## APPENDIX 1 – HIGHWAYS INVESTMENT FOR APPROVAL

Proposal Name	Brief Description	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	TOTAL £M
<b>ADDITIONAL HIGHWAYS INVESTMENT 25/26</b>							
Council's Own Resources	An annual highways maintenance allocation set aside to repair the Borough's highways (principal roads / side streets).	-	3.300	-	-	-	<b>3.300</b>
Council's Own Resources	A further £2M has been provisionally set aside to repair the Borough's highways (principal roads / side streets).	-	2.000	-	-	-	2.000
<b>SUB TOTAL – ADDITIONAL HIGHWAYS INVESTMENT 25/26</b>		-	<b>5.300</b>	-	-	-	<b>5.300</b>
Local Transport Programme	Monies for maintenance of the Borough's highways infrastructure including the Local and Neighbourhood Transport Complementary Programme and the Transport Network Asset Maintenance.	-	5.100	-	-	-	<b>5.100</b>
<b>SUB TOTAL – LOCAL TRANSPORT PROGRAMME</b>		-	<b>5.100</b>	-	-	-	<b>5.100</b>
<b>TOTAL HIGHWAYS INVESTMENTS TO BE APPROVED</b>		-	<b>10.400</b>	-	-	-	<b>10.400</b>
A635 Quality Bus Corridor - BRT	A bus priority scheme; also improves capacity on the overall network. Includes new bus lanes, bus shelters, active travel routes and improved links to the Trans-Pennine Trail	1.300	2.000	21.510	-	-	<b>24.810</b>
Royston Active Travel and Bus Priority Measure infrastructure scheme	Provision of infrastructure mitigation required to deliver 2 major mixed use (employment / residential) sites allocated in the Local Plan, (MU3 and MU5). which have been approved in the Royston Masterplan. The scheme will provide mitigation at several local junctions; provide active travel routes and an alternative bus priority route into the town centre.  The full requested CRSTS request is for £14.2M, the scheme has been re-profiled to defer £12.2M into the next settlement period (2027 onwards).	0.100	0.500	1.400	-	-	<b>2.000</b>
A628 Bus and Active Travel priority corridor - Shafton to Barnsley Town Centre - Phase 1	Bus / AT priority scheme; also mitigation for Local Plan developments. Will also include Active Travel routes to tie into existing routes delivered through TCF / AT funding.	0.700	3.500	3.736	-	-	<b>7.936</b>
River Dearne Long Route	The proposed 'River Dearne Long Route' scheme consists of a package of measures which seeks to improve walking and cycling connectivity between A61 Gyratory at Old Mill Lane and A633 Grange Lane via A628 Pontefract	-	0.350	-	-	-	<b>0.350</b>

## SECTION 6

Proposal Name	Brief Description	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	TOTAL £M
	Road. The list of interventions includes infrastructure improvements to 2.45km of off-road active travel route and improving widths to achieve LTN 1/20 and the higher MCA standards, Provision of Toucans crossing at Grange Lane and Pontefract Road, improvements to public realm, improvements to lighting, incorporation of a dish channel to the existing steps within the park to allow easy access for cyclists.						
Darton Active Travel Route	The 'M1 J38 Darton Active Travel Link' is a package of measures which seeks to promote walking and cycling connectivity between 'The Yorkshire Sculpture Park' located at J38 M1 and the proposed A61 Active Travel Link via Darton Rail Station. By linking to the proposed A61 Active Travel Link an uninterrupted walking and cycling route will be established connecting J38 with Barnsley Town Centre. The proposal will also complement the establishment of an Active Travel Hub at the Church Street car park (subject to a separate OBC / funding bid).	1.254	0.589	-	-	-	<b>1.843</b>
Wombwell to Vorsborough Trans Penine Trail	Active Travel Route along the TPT	1.217	-	-	-	-	<b>1.217</b>
Bikeworks Active Travel Hub	Active Travel hub at the interchange in Barnsley. The new hub will be located close to the transport interchange on a site identified for low carbon town centre residential development and new green public realm and will provide more safe / secure cycle storage than at present and have the capacity for more e-bike / bike loans.	0.693	-	-	-	-	<b>0.693</b>
Elsecar Active Travel Hub	Active Travel hub at Elsecar Heritage Centre	0.050	0.440	-	-	-	<b>0.490</b>
Penistone Station Accessibility Improvements - Phase 1	The scheme will improve accessibility to the proposed Park and Ride scheme at the Penistone station. The creation of a Park and Ride site at Penistone station is a priority of South Yorkshire Passenger Transport Executive (SYPT), and follows other similar rail based park and ride facilities which have been built in recent years at Wombwell and Elsecar and which have proved very popular with commuters. This Park and Ride site will also complement the bid Kirklees Council have recently submitted to increase the number of trains on the Penistone Line, which connects Huddersfield with Sheffield via Barnsley. Services at Penistone are currently restricted to 2 trains per hour. In addition	0.990	1.895	3.115	-	-	<b>6.000</b>

## SECTION 6

Proposal Name	Brief Description	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	TOTAL £M
	the proposed scheme will also mitigate congestion from major housing allocations which are coming forward in Penistone.						
Town End Roundabout - Phase 1 (development)	The proposed scheme will see the development of a new roundabout solution at the existing Town End within Barnsley town centre on the A628. The existing roundabout will be replaced and existing priority for motorists will be removed and replaced with pedestrian and cyclist priority at crossing points.	0.165	1.290	1.545	-	-	<b>3.000</b>
A61 Active Travel - Barnsley – Royston via Smithies - Phase 1	An active travel scheme, already in the TCF programme which provides 7.5km of new on and off-road cycle routes. Includes new pedestrian / cycle crossings at key junctions. Also ties into the A61 Royston Bus Priority measures scheme being delivered by the SYPTE. This element is to deck an existing disused rail bridge to provide better connectivity.	0.280	1.720	-	-	-	<b>2.000</b>
Restoring Your Railway: North Barnsley to Wakefield via Royston (1)	The restoration proposal for the North Midland Line is to run passenger services from Barnsley to Wakefield Kirkgate via the semi-operational freight route from Wakefield to Lundwood. This could form the first phase of a more fundamental reinstatement between Lundwood and Barnsley and / or Lundwood and Swinton on disused tracks. Currently, the route is a single track, infrequently used freight line, which runs parallel to parts of the National Cycle Network. Restoring the railway on this route would include potentially double-tracking the freight route, ensuring it adheres to modern passenger rail safety standards. The restoration of this route would create a new, connection between North Barnsley and Wakefield, potentially offering connections to Leeds and Huddersfield beyond. This reduced allocation would specifically be for the feasibility on the freight line.	0.050	-	-	-	-	<b>0.050</b>
Remaining Funding	Remaining funding available for Active Travel Schemes which is yet to be allocated.	-	-	1.818	-	-	<b>1.818</b>
<b>SUB TOTAL – SYMCA SUSTAINABLE TRANSPORT SETTLEMENT (CRSTS) – RE-PROFILING</b>		<b>6.799</b>	<b>12.284</b>	<b>31.306</b>	<b>-</b>	<b>-</b>	<b>50.389</b>
<b>GRAND TOTAL – HIGHWAYS CAPTIAL INVESTMENT</b>		<b>6.799</b>	<b>22.684</b>	<b>31.306</b>	<b>-</b>	<b>-</b>	<b>60.789</b>

## APPENDIX 2 – SCHOOLS &amp; DISABLED FACILITIES INVESTMENT FOR APPROVAL

Proposal Name	Brief Description	2025/26 £M
		-
School Maintenance	Monies ringfenced for maintenance of the Council's schools' stock	0.637
High Needs Provision (SEN)	Monies ringfenced for providing additional school places	6.128
Disabled Facilities Grant	Monies earmarked for provision of disabled facilities grant to allow residents to adapt their own homes	3.684
<b>GRAND TOTAL –</b>		<b>10.449</b>



## APPENDIX 3 – CAPITAL BUDGETS ALIGNED TO COUNCIL PRIORITIES

Corporate Priorities	Current Programme £M	New Approvals £M	Revised Current Programme £M	Future Funding £M	Total Indicative Programme £M
Healthy Barnsley	4.350	-	4.350	-	4.350
Learning Barnsley	26.176	6.765	32.941	-	32.941
Growing Barnsley	181.542	14.077	195.619	61.720	257.339
Sustainable Barnsley	69.918	2.000	71.918	-	71.918
Enabling Barnsley	2.903	-	2.903	-	2.903
<b>Total -</b>	<b>284.889</b>	<b>22.842</b>	<b>307.731</b>	<b>61.720</b>	<b>369.451</b>

This page is intentionally left blank