

MEDIUM TERM FINANCIAL STRATEGY TABLES

Core Planning Assumptions

The table below sets out the core planning assumptions included in the MTFS projections:-

	2023/24	2024/25	2025/26	2026/27
Pay inflation and pay related matters:				
- Provision for pay award	3.50%	2.00%	2.00%	2.00%
- Employers pension contribution rate change	0.00%	0.00%	0.00%	0.00%
General inflation:				
- Inflation on social care third party payments	2.00%*	3.00%	3.00%	3.00%
- Inflation on non pay expenditure	0.75% - 2.00%*	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%
- Inflation on waste PFI	2.00%*	2.00%	2.00%	2.00%
- Inflation on income	3.00%	3.00%	3.00%	3.00%
- Inflation on parking income	3.00%	3.00%	2.00%	2.00%
- Inflation on penalty charge notices	0.00%	0.00%	0.00%	0.00%
Resources:				
Change to Revenue Support Grant (RSG)	2.00%	2.00%	2.00%	2.00%
Business rates poundage inflation uplift	10.00%	2.00%	2.00%	2.00%
Assumed council tax threshold increase	1.99%**	1.99%	1.99%	1.99%
Adult Social Care Precept	1.00%**	1.00%	0.00%	0.00%
Council Tax Base	0.75%	0.75%	0.75%	0.75%

*Inflation costs above these assumptions are included in the revised estimates for service pressures

**For scenario planning, the midpoint view for the Council Tax threshold increase or the Adult Social Care Precept increase is assumed to increase by a further 1%

Summary of MTFS projections

The table below sets out the savings /budget gap taking into account the anticipated expenditure over the MTFS period and the funding resources available based on the median view: -

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Net Budget Requirement B/Fwd	199.853	246.642	258.508	265.612
Remove net one off short term funding and expenditure	32.011	1.468		
Net Budget Requirement B/Fwd	231.864	248.110	258.508	265.612
Pay and Inflation – Expenditure	9.152	9.761	10.080	9.322
Inflation - Income	-2.519	-2.605	-2.773	-2.798
Assumed Increase in government funding through grants	-4.000	-2.000	-1.500	-1.500
New investment, demographic pressures in Adult Social Care and Adult Learning Disabilities	5.400	5.500	5.500	5.500
Demographic pressures for Children’s disability, CiC, and Care Leavers	2.300	1.250	1.000	1.000
Inflationary pressures in Adult Social Care and Adult Learning Disabilities	6.500			
Inflationary pressures for Children’s disability, CiC, and Care Leavers	2.200			
New investment in Housing - temporary and emergency accommodation	2.400			
Waste PFI inflation increase	1.200			
Energy costs inflationary increase	1.050	0.650		
Orbis partnership revised shares	1.100			
Housing Benefit net income reduction	0.400			
Service pressures for all other areas	3.430	2.000	1.500	1.500
Commitments - impact of previous decisions including 2 year corporate priorities	2.967	2.624	1.059	0.267
Pay award 2022/23 above 2%	2.700			
Change in reserves	1.488	2.366	-0.274	-0.876
Budget Gap (Savings Requirement)	-20.990	-9.148	-7.488	-5.118
Budget Requirement C/Fwd	246.642	258.508	265.612	272.909
Funded by:				
Revenue Support Grant	7.014	7.154	7.297	7.443
Locally retained Business Rates	70.892	73.446	75.506	77.612
Collection Fund position	-2.727	0.000	0.000	0.000
Council Tax including Adult Social Care Precepts	171.463	177.908	182.809	187.854
Total Funding	246.642	258.508	265.612	272.909