

## MEDIUM TERM FINANCIAL STRATEGY TABLES

## Core Planning Assumptions

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

	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Pay inflation and pay related matters:</b>					
- Provision for pay award	2.75%	2.75%	2.50%	2.50%	2.50%
- Employers pension contribution rate change**	0.00%	-4.90%	0.00%	0.00%	0.00%
<b>General inflation:</b>					
- Inflation on social care third party payments	3.00%	2.50%	2.50%	2.50%	2.50%
- Inflation on non-pay expenditure	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%
- Inflation on waste PFI	3.50%	3.50%	3.50%	3.50%	3.50%
- Inflation on income	3.00%	3.00%	3.00%	2.50%	2.50%
- Inflation on parking income	3.00%	3.00%	3.00%	2.50%	2.50%
- Inflation on penalty charge notices	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Resources:</b>					
Change to Revenue Support Grant (RSG)	1.65%	1.63%	1.64%	1.98%	1.98%
Business rates poundage inflation uplift	1.65%	1.63%	1.64%	1.98%	1.98%
Assumed council tax threshold increase	2.99%	2.99%	2.99%	2.99%	2.99%
Adult Social Care Precept	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Base	1.50%*	0.87%	0.86%	0.61%	0.61%

\*Included the introduction of Second Homes Premium which is equivalent to a 0.9% increase in the tax base

\*\*The Employer Pension rate will reduce from 19.80% to 14.90% from 1<sup>st</sup> April 2026 for three years

## 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:

Medium Term Financial Strategy 2026 to 2030	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
<b>Net Budget Requirement B/Fwd</b>	<b>264.819</b>	<b>281.740</b>	<b>295.585</b>	<b>309.843</b>
Remove net one off short term funding and expenditure	0.000	0.000	0.000	0.000
<b>Net Budget Requirement B/Fwd</b>	<b>264.819</b>	<b>281.740</b>	<b>295.585</b>	<b>309.843</b>
Standard Pay and Inflation – Expenditure	13.137	12.987	13.303	13.667
Standard Inflation - Income	(3.446)	(3.550)	(3.112)	(3.189)
Demographic and inflationary pressures in Adult Social Care including Adult Learning Disabilities	1.285	9.495	9.724	10.120
Demographic and inflationary pressures for Children’s disability, Children in Care, and Care Leavers	2.595	1.620	1.771	1.396
Temporary Accommodation and Rough Sleepers - cost and demand pressures	11.106	1.100	1.762	1.650
Home to School Transport - cost and demand pressures	1.285	0.670	0.738	0.809
Estimated loss of funding from Fair Funding Reform	6.000	2.500	6.000	0.000
Estimated loss of other grant income	0.700	4.183	0.000	0.000
Income Pressure: New England House	1.200	0.000	0.000	0.000
Housing Benefit Subsidy Shortfall	2.400	0.000	0.000	0.000
All other pressures across council services	7.373	5.564	5.117	5.686
Commitment - Change in contributions to/from reserves	3.015	(1.125)	0.000	0.000
Commitment - Change in financing Costs	0.913	1.618	0.620	(0.172)
Commitment - Pay award 2025/26 above 2.75% inflation assumption	0.827	0.000	0.000	0.000
Commitment – Reduction in Employer Pension contribution rate	(6.920)	0.000	0.000	0.000
Commitment - impact of previous decisions, grant changes and assumptions	0.377	1.803	0.703	1.396
Budget Gap (Savings Requirement)	(24.926)	(23.020)	(22.368)	(16.344)
<b>Budget Requirement C/Fwd</b>	<b>281.740</b>	<b>295.585</b>	<b>309.843</b>	<b>324.862</b>

<b>Funded by:*</b>				
Revenue Support Grant	8.932	9.078	9.258	9.441
Locally retained Business Rates	63.507	64.862	66.468	68.114
Collection Fund position	0.000	0.000	0.000	0.000
Council Tax including Adult Social Care Precept	209.301	221.645	234.117	247.307
<b>Total Funding</b>	<b>281.740</b>	<b>295.585</b>	<b>309.843</b>	<b>324.862</b>

*\*Note – the presentation of resources will change considerably within the February report due to the changes expected from the Fair Funding review and the consolidation of a number of funding streams into Revenue Support Grant*

