

MEDIUM-TERM BUDGET PROJECTIONS

| Year | Annual (Surplus) / Deficit | Explanation |
|--------------------------------------|----------------------------|--|
| | £000s | |
| 1 | BASE 2023/24 | 0 Draw down of £943,000 from reserves to off set high inflation |
| 2 | 2024/25 | 889 Inflationary pressures greater than income cap of 3 per cent |
| 3 | 2025/26 | 1,278 Inflationary pressures greater than income cap of 3 per cent |
| 4 | 2026/27 | 2,397 Impact of Census 2021 on Fair Funding Review |
| 5 | 2027/28 | 5,144 Market cost of reprocurring major contracts |
| 6 | 2028/29 | 5,809 Indexation on higher major contracts and costs rising more than income |
| TOTAL NET CUMULATIVE FORECAST | | 15,516 IF LEFT UNMANAGED |

Major Assumptions

Establishment costs increase by 5% a year reflecting retention difficulties.

Vacancy factor increased to £500,000 reflecting recruitment difficulties.

Transport costs are frozen

Premises increase by 1% pa

Business Rates increase by 3% pa

Supplies & Services costs are frozen

Waste increase by 4% from 2024/25 plus £2m from 2027/28

Parks increase by 4% from 2024/25 plus £200k from 2027/28

Leisure income remains frozen then £290k is lost from 2027/28

General income increase by 3% pa

Car Parking Income remains frozen from 2024/25

Investment Interest increased to £2m reflecting higher interest rates.

New Homes Bonus or replacement incentive of £768k continues

Fair Funding Review implemented 2026/27

Council Tax increases by 3 per cent each year

332 FTE's