

## Funding and Expenditure Assumptions

	2024/25	£m	2025/26	£m	2026/27	£m	Description
<b>Funding</b>							
Council Tax - increase	4.99%	30.673	4.99%	32.751	4.99%	34.974	Maximum increase included for each year based on government projections, including 2% adult social care precept. Decision to increase Council Tax is a decision taken by Full Council each year. The council tax increase is inflated after the tax base increase below has been applied, therefore they are interdependent.
Council Tax - tax base	1.70%	10.275	1.70%	10.971	1.70%	11.710	Tax base increase is based on historic trends and national benchmarking. This is subject to information provided by District Councils at the end of January each year.
Business Rates - growth	0.50%	0.162	0.50%	0.163	0.50%	0.163	Business rates growth is confirmed by District Council's at the end of January each year. 0.5% is an estimate at this stage in the budget setting process and is based on historical trends.
<b>Inflation</b>							
Pay	3.00%	12.3	3.00%	12.7	2.00%	13.0	Based on reducing inflation levels and benchmarking information from other county councils.
Children's Social Care	Various	5.0	Various	3.9	Various	3.5	CPI across contracts and type of expenditure varies with some areas using an average inflation figure and other having a very specific month's inflation as part of their contractual uplifts.
Adult Social Care	Various	37.9	Various	45.0	Various	26.9	Driven largely by National Living Wage increases and CPI which form the basis of the uplifts agreed annually to provider fees. Increases vary across each type of care provision.
Waste	4.30%	3.8	2.80%	2.6	2.80%	2.7	Contractual costs increased at RPI.
Highways	4.30%	0.8	2.80%	0.5	2.80%	0.5	Contractual costs increased at RPI.
Transport	4.30%	3.2	2.80%	2.0	2.80%	2.1	Contractual costs increased at RPI.

	2024/25	£m	2025/26	£m	2026/27	£m	Description
Electricity	4.60%	0.2	2.80%	0.1	2.80%	0.1	Electricity purchased in advance for 2024/25, later years increases assumed at RPI. Whilst this table demonstrates the CPI applied, as part of the medium-term financial strategy calculations an arbitrary adjustment to take out 2022/23 and 2023/24 significant levels of inflation have been included – therefore on the summary tables in Appendix A the overall adjustment is a budget reduction.
Gas	-9.50%	-0.1	2.80%	0.1	2.80%	0.1	Gas purchased in advance for 2024/25, later years increases assumed at RPI. Whilst this table demonstrates the CPI applied, as part of the medium-term financial strategy calculations an arbitrary adjustment to take out 2022/23 and 2023/24 significant levels of inflation have been included – therefore on the summary tables in Appendix A the overall adjustment is a budget reduction.
Other Premises Costs	4.30%	0.7	2.80%	0.5	2.80%	0.5	Running costs of building assumed increase at RPI.
Digital	4.30%	1.0	2.80%	0.4	2.80%	0.6	Contractual costs increased at RPI.
<b>Demand</b>							
CSC Placements	3.50%	3.9	0.83%	1.1	-0.54%	-0.3	Based on historical trends with assumption that demand will reduce in later years.
CSC Special Guardianship Orders	7.00%	0.9	7.00%	1.0	7.00%	1.1	SGOs have continued to rise over recent years, therefore a historical average has been used to project demand.
ASC	2.90%	11.3	2.90%	11.3	2.90%	11.8	Based on older people population increases, with variations applied across different types of service provision.
Waste	0%	0.0	0%	0.0	0%	0.0	Assumed growth remains the same as in 2023/24 at 400,000 tonnes per year.
SEND Transport	14%	11.5	11%	4.4	8%	3.4	Projected growth across Special Educational Needs and Disability service is 14%, which is currently forecast to be the peak of demand post-pandemic. It is then forecast that growth gradually reduces over later years.