

Appendix A1 - Budget Assumptions Medium-Term Financial Strategy 2024-2028

Service & Central Budgets:	MTFS February 2023				New cycle
	2023/24	2024/25	2025/26	2026/27	2027/28
Base Service Budget	340.8	354.4	361.5	374.5	384.6
Pay inflation (pay awards, performance related pay, holiday pay, increments)	5.0% + top up from 2022/23 shortfall	3.0%	2.5%	2.5%	2.5%
Backdated Overtime Claims	included in pay budgets				
NI increase	no planned increases				
Living Wage	included in pay budgets				
Non pay inflation	included in service budgets where required				
ASDV Management Fees	included in service budgets				
Pensions - Main contribution rate	21.0%				
Pensions - Secondary (past service) contribution rate	5.7%				
Pensions - Total contribution rate	26.7%	25.2%	23.7%	23.7%	23.7%
Other Income					
Fees & Charges income - assumption is no net increase/decrease in service expenditure as income will match cost variations	c.£87m	No net change	No net change	No net change	No net change
Return on Wholly Owned Subsidiaries - assumption is Company Board will discuss with Fin Sub-Committee	0.0	0.0	0.0	0.0	0.0
Capital Financing					
Capital Financing Budget	19.0	20.0	21.0	22.0	22.0
Treasury Management	c£0.9m interest on cash balances	c£0.9m interest on cash balances	c£0.9m interest on cash balances	c£0.9m interest on cash balances	c£0.9m interest on cash balances
CIL / s.106 - assumption is income will be spent on linked projects with no net benefit					
Bonds - No bond issue is planned					
Central Items					
Central Contingency - no ongoing scope for contingency	0.0	0.0	0.0	0.0	0.0
Income from Flexible Capital Receipts	-1.0	-1.0	-1.0	-1.0	-1.0
Bad Debt Provision change	-0.6	0.0	0.0	0.0	0.0
Top up to General reserves - assume increases in General Reserves will come from windfall or over-achievement of budget targets	0.0	0.0	0.0	0.0	0.0
Reserves					
Review the minimum level					
Use of (-) / Contribution to (+) Earmarked reserves	-5.0	-0.6	0.0	-2.2	0.0
General Reserves - balance	12.6	12.6	12.6	12.6	12.6
TOTAL AS PER MTFS FEBRUARY 2023	353.1	372.7	381.5	393.3	405.6
Funded By:					
Council Tax	271.1	287.9	299.6	311.5	323.8
Council Tax % Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Council Tax ASC % Increase	2.00%	2.00%	0.0	0.0	0.0
Council Tax Support Scheme		to be increased in line with ctax increase	to be increased in line with ctax increase	to be increased in line with ctax increase	to be increased in line with ctax increase
	budget of £18.9m				
Taxbase (including, growth, discounts and council tax support)	158,778.54	160,637.85	162,328.14	163,849.39	165,370.65
Numbers of new homes included in the taxbase calculation	2,400	2,200	2,000	1,800	1,800
Exemption for Foster Carers and Care Leavers (from Collection Fund EMR)	c.£145,000	c.£145,000	c.£145,000	c.£145,000	c.£145,000
Discretionary discounts (S13A)	Landlords 4 weeks 100%	Landlords 4 weeks 100%	Landlords 4 weeks 100%	Landlords 4 weeks 100%	Landlords 4 weeks 100%
Empty Homes Premium 100% (2 to 5 years empty)	22 homes as at Oct 22				
Empty Homes Premium 200% (5 to 10 years empty)	67 homes as at Oct 22				
Empty Homes Premium 300% (over 10 years empty)	31 homes as at Oct 22				
Second Homes Premium 100% from April 2024. Assumption will be updated if pending legislation is passed.	N/A				
Losses on Collection - Write Offs	c.£0.7m	c.£0.7m	c.£0.7m	c.£0.7m	c.£0.7m
Collection Rate	0.99%	0.99%	0.99%	0.99%	0.99%
Collection Fund Council Tax (to be funded from EMR)	c.£nil declaration in Jan 22 for 2022/23 but outturn at £3m deficit (CEC share 85%) due to increase in Bad Debt Provision and treatment of Energy payments				

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Business Rates Retention	55.3	55.3	55.3	55.3	55.3
Pooling	No longer part of Greater Manchester pool from 2021/22				
Growth assumptions	No change in business rates income forecast over medium term. Will update when details of the Fairer Funding / BRRS review announced				
Taxbase (based on NNDR1 2023/24)	£147.7m				
Relief for low carbon heat networks and a new Improvement Relief	Funding set aside for the Env Strategy, along with the 100% retained element we already have				
Mandatory Reliefs	c.£24m				
Unoccupied Reliefs	c.£5.5m				
Discretionary Reliefs (unfunded)	c.£0.5m				
Hardship	> £20k per annum				
Levy (paid from EMR)	c.£4.0m				
BRRS S31 compensation grants for new burdens (net of adjustment for tariff adjustment due to cap on multiplier)	c.£21m				
Losses on Collection - Write Offs	c.£2.0m				
Collection costs	c.£0.6m				
Appeals	c.£20m total provision (49% CEC share)				
Collection Fund Business Rates (to be funded from EMR)	NNDR1 23/24 declared deficit (Jan 23) for 22/23 - £7.5m (CEC share 49%). Outturn deficit at £8.8m (net of S31 funding available to repay deficit caused by additional funded reliefs)				
Collection Rate	0.99%	0.99%	0.99%	0.99%	0.99%
Business Rate Supplement (BRS)	none	none	none	none	none
Tax Increment Financing (TIF)	none	none	none	none	none
Business Improvement Districts (BIDs)	Wilmslow				
RSG					
Revenue Support Grant	0.4	0.4	0.4	0.4	0.4
Specific Grants (unringfenced* only included in funded envelope)	26.4	29.1	26.1	26.1	26.1
Total Schools Grants (ringfenced)	£179.2m	£178.0m	£178.0m	£178.0m	£178.0m
Total other C&F Grants (ringfenced)	£8.5m	£8.5m	£8.5m	£8.5m	£8.5m
Adult Social Care and Health (inc. Better Care Fund) (ringfenced)	£18.6m	£20.0m	£18.9m	£18.9m	£18.9m
Public Health (ringfenced)	£17.9m	£17.4m	£17.4m	£17.4m	£17.4m
Corporate Policy Grants (ringfenced)	£0.6m	£0.4m	£0.4m	£0.4m	£0.4m
Housing Benefit (ringfenced)	£46.7m	£46.7m	£46.7m	£46.7m	£46.7m
Place Committees Grants (ringfenced)	£2.8m	£1.5m			
Social Care Grants (conditions) - assumes 2024/25 allocations continue (unringfenced*)	£19.4m	£23.0m	£23.0m	£23.0m	£23.0m
New Homes Bonus (unringfenced*)	£3.8m	£3.0m			
Others (unringfenced*)	£3.2m	£3.2m	£3.2m	£3.2m	£3.2m
TOTAL AS PER MTFS FOR 2023/24 = £353.1m	353.1	372.7	381.5	393.3	405.6
Balanced Budget Position	0.0	0.0	0.0	0.0	0.0