

## Appendix A

Financial Scenario FUNDING AND CENTRAL BUDGET ITEMS ONLY	Approved MTFS February 2024	Forecast Position*	Change	Approved MTFS February 2024	Forecast Position*	Change	Approved MTFS February 2024	Forecast Position*	Change	Variance explanation
	£m	£m	£m	£m	£m	£m	£m	£m	£m	
	2025/26			2026/27			2027/28			
<b>SOURCES OF FUNDING</b>										
Council Tax	-298.779	-307.122	-8.343	-310.595	-324.850	-14.255	-322.850	-344.205	-21.355	Second homes income and further 2% increase in each year
Business Rates	-56.627	-56.627	-	-56.627	-56.627	-	-56.627	-56.627	-	
Revenue Support Grant	-0.414	-0.414	-	-0.414	-0.414	-	-0.414	-0.414	-	
Unringfenced Specific Grants										
New Homes Bonus	0.000	-3.500	-3.500	0.000	0.000	-	0.000	0.000	-	Additional 1 year only allocation
Social Care Support Grant	-22.580	-25.580	-3.000	-22.580	-25.580	-3.000	-22.580	-25.580	-3.000	Additional allocation to match 2024/25 level in all years
Other unringfenced Grants	-1.918	-1.918	-	-1.918	-1.918	-	-1.918	-1.918	-	
<b>FUNDING ENVELOPE</b>	<b>-380.318</b>	<b>-395.161</b>	<b>-14.843</b>	<b>-392.134</b>	<b>-409.389</b>	<b>-17.255</b>	<b>-404.389</b>	<b>-428.744</b>	<b>-24.355</b>	
<b>CENTRAL BUDGETS AND PAY INFLATION</b>										
Pay Inflation	4.546	6.135	1.589	4.659	4.659	-	4.659	4.659	-	Increase for 2025/26 for cost of pay offer at £1,290 / 2.5% (revised down from initial estimate of £1.9m in June 2024)
Capital Financing budget	43.036	35.263	-7.773	57.094	35.507	-21.587	69.792	33.333	-36.459	Correction to overstated budget in February MTFS
Contingency budget	0.000	3.400	3.400	0.000	10.000	10.000	0.000	10.000	10.000	Inclusion of budget from 2025/26
Income from Capital Receipts	-1.000	-1.000	-	-1.000	-1.000	-	-1.000	-1.000	-	
Bad Debt Provision - change in budget	-0.050	-0.050	-	-0.050	-0.050	-	-0.050	-0.050	-	
Risk of unachievable budget savings or growth demands exceeding estimates – early estimate	0.000	0.000	-	0.000	15.000	15.000	0.000	30.000	30.000	
Contribution to general reserves	0.000	5.000	5.000	0.000	10.000	10.000	0.000	15.000	15.000	£5m per annum from 2025/26
<b>TOTAL CENTRAL BUDGETS + PAY INFLATION</b>	<b>46.532</b>	<b>48.748</b>	<b>2.216</b>	<b>60.703</b>	<b>74.116</b>	<b>13.413</b>	<b>73.401</b>	<b>91.942</b>	<b>18.541</b>	
<b>FINANCIAL ENVELOPE + CENTRAL BUDGETS + PAY INFLATION</b>	<b>-333.786</b>	<b>-346.413</b>	<b>-12.627</b>	<b>-331.431</b>	<b>-335.273</b>	<b>-3.842</b>	<b>-330.988</b>	<b>-336.802</b>	<b>-5.814</b>	

\*Assumes the Medium scenario option

Cumulative improvement	<b>-22.282</b>
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