

**Budget Forecast 2025/26****Scenario Planner**

	<b>Budget Forecast Best 2025/26 £'000</b>	<b>Budget Forecast Middle 2025/26 £'000</b>	<b>Budget Forecast Worst 2025/26 £'000</b>
<b><u>Service Requirements</u></b>			
Net Cost of Benefit Payments	18,558.8	18,558.8	18,558.8
Inflation	750.0	850.0	1,200.0
<b>Net Cost of Services</b>	<b>19,308.8</b>	<b>19,408.8</b>	<b>19,758.8</b>
<b><u>Corporate Requirements</u></b>			
Contingency Provision	248.7	248.7	248.7
Depreciation Reversal	(5,864.3)	(5,864.3)	(5,864.3)
Investment Income	(3,000.0)	(3,000.0)	(2,700.0)
Borrowing Costs	134.7	134.7	134.7
Minimum Revenue Provision	213.6	213.6	213.6
Small Business Rate Relief	(5,437.4)	(5,437.4)	(5,437.4)
Other Government Grants	(2,914.5)	(1,583.5)	(918.0)
New Homes' Bonus	0.0	0.0	0.0
Provision for NDR Levy	3,875.9	3,875.9	3,875.9
100% Retention of NDR from Renewable	(983.9)	(983.9)	(983.9)
<b>Net General Fund Expenditure</b>	<b>5,581.6</b>	<b>7,012.6</b>	<b>8,328.1</b>
Contribution to Earmarked Reserves	4,380.7	4,380.7	4,380.7
Contribution to Asset Management Reserves	2,451.1	2,451.1	2,451.1
Contribution to Capital Reserves	2,643.2	2,643.2	2,643.2
<b>Total General Fund Expenditure</b>	<b>15,056.6</b>	<b>16,487.6</b>	<b>17,803.1</b>
Revenue Pressures	281.0	281.0	562.0
Revenues Savings	(150.0)	(350.0)	0.0
Income Generation Proposals	(640.0)	0.0	(120.0)
<b>Revised Net Budget</b>	<b>14,547.6</b>	<b>16,418.6</b>	<b>18,245.1</b>
Draw from NHB to offset cuts in Government Grants	0.0	0.0	0.0
<b>SURPLUS / (SAVINGS) TO BE IDENTIFIED</b>	<b>1,697.0</b>	<b>(174.0)</b>	<b>(2,262.8)</b>
<b>General Fund Requirements</b>	<b>16,244.6</b>	<b>16,244.6</b>	<b>15,982.3</b>

**ASSUMPTIONS IN DEVELOPING THE BUDGET FORECAST**

<u>Council Tax</u>			
Rate assumed	£5 increase	£5 increase	0.0%
Impact	262,300	262,300	0
<u>Investment Income</u>			
Income Levels	0%	0.0%	-10.00%
	3,000,000	3,000,000	2,700,000
<u>Inflation</u>			
	750,000	850,000	1,200,000
<u>Central Government Funding</u>			
	24/25 levels	24/25 levels	25% of 24/25 levels
Changes to Funding Guarantee / Services Grants	2,662,000	1,331,000	665,500
<u>Budget Pressures / Income Generation</u>			
Pressures	281,000	281,000	562,000
Income	(640,000)	(320,000)	(120,000)
Savings	(150,000)	(30,000)	0

**ADDITIONAL NOTES ON SENSITIVITY ANALYSIS**Business Rates

It is assumed that there will be no significant changes to business rates budgets in 2025/26. Any changes that do occur will be managed using earmarked reserves. Therefore no volatility has been shown in the above table.

Investment Income

It is likely that additional income from this source will be generated. However, any extra is not recommended to be used to close the budget gap and therefore no better case scenario is included.

**Summary of Savings Options**

<b>Service</b>	<b>Function</b>	<b>Savings Option Proposed</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
ES	Garden Waste	Additional income. Actual income in 2023/24 was greater than 2025/26 budget guide and there have been fee increases as well.	50	50	50
HEH	Housing Options **	Budget of £30,000 created in respect of bad debts ref: Aster. Not needed in recent years - suggest treat as a central contingency and remove budget for this item.	30	30	30
LD	Legal fee income	Actual income in last two years greater than 2025/26 budget guide.	20	20	20
PAM	Commercial Property Income	Additional income arising from one large rent review.	50	50	50
P&B	Planning Fees income	Expected increase in planning fees (both inflationary increase and large increase in small application fee).	200	200	200
<b>Total Savings Options</b>			<b>350</b>	<b>350</b>	<b>350</b>

### Summary of Revenue Pressures

Service	Item	2025/26 £'000	2026/27 £'000	2027/28 £'000
ES	Shopping Trolley Returns - actual income reduced due to 50% charging rate. 23/24 actual and 24/25 Q1 suggest budget pressure needed.	35	35	35
S&I	Increase in Communications team capacity (increase in hours / minor restructure)	21	21	21
F&R	Increase in Procurement / governance capacity (new post, evaluated at HG6. Forecast 25hpw)	25	25	25
Benefits	Increased cost of Housing Benefit provision. Linked to higher costs of temporary accommodation that are not covered in full by subsidy. Closely linked to pressures in HEH for housing needs.	200	200	200
<b>Total Pressures</b>		<b>281</b>	<b>281</b>	<b>281</b>

### Medium Term Financial Forecast

	Budget Forecast 2025/26 £'000	Base Changes £'000	Budget Forecast 2026/27 £'000	Base Changes £'000	Budget Forecast 2027/28 £'000
Net cost of services	18,558.8	1,317.8	19,876.6		19,876.6
Inflation forecast	850.0	900.0	1,750.0	950.0	2,700.0
<b>Net Cost of Services</b>	<b>19,408.8</b>	<b>2,217.8</b>	<b>21,626.6</b>	<b>950.0</b>	<b>22,576.6</b>
<b><u>Corporate Requirements</u></b>					
Contingency Provision	248.7		248.7		248.7
Depreciation Reversal & Capital Charges	(5,864.3)		(5,864.3)		(5,864.3)
Investment Income	(3,000.0)	451.1	(2,548.9)		(2,548.9)
Borrowing Costs	134.7	(5.8)	128.9		128.9
Minimum Revenue Provision	213.6	4.8	218.4		218.4
Small Business Rate Relief & other S31 grants	(5,437.4)	5437.4	0.0		0.0
Other Government Grants	(1,583.5)	1331.7	(251.8)		(251.8)
New Homes' Bonus	0.0		0.0		0.0
Provision for NDR Levy	3,875.9	(3,875.9)	0.0		0.0
100% retention of NDR from Renewable Energy	(983.9)		(983.9)		(983.9)
<b>Net General Fund Expenditure</b>	<b>7,012.6</b>	<b>5,561.1</b>	<b>12,573.7</b>	<b>950.0</b>	<b>13,523.7</b>
Transfer to / (from) Earmarked Reserves	4,380.7	(6,055.4)	(1,674.7)	500.0	(1,174.7)
Transfer to Asset Management Reserves	2,451.1	(451.1)	2,000.0		2,000.0
Transfer to Capital Reserves	2,643.2		2,643.2		2,643.2
<b>Total General Fund Expenditure</b>	<b>16,487.6</b>	<b>(945.4)</b>	<b>15,542.2</b>	<b>1,450.0</b>	<b>16,992.2</b>
Revenue Pressures	281.0	0.0	281.0	0.0	281.0
Savings Options	(350.0)	0.0	(350.0)	0.0	(350.0)
Income Generation Proposals	0.0	0.0	0.0	0.0	0.0
<b>Revised Net Budget</b>	<b>16,418.6</b>	<b>(945.4)</b>	<b>15,473.2</b>	<b>1,450.0</b>	<b>16,923.2</b>
<b>FURTHER SAVINGS TO BE IDENTIFIED</b>	<b>(174.0)</b>	<b>(2,124.8)</b>	<b>(2,298.8)</b>	<b>(1,588.6)</b>	<b>(3,887.4)</b>
<b>General Fund Requirements</b>	<b>16,244.6</b>	<b>(3,070.2)</b>	<b>13,174.4</b>	<b>(138.6)</b>	<b>13,035.8</b>