

Summary of Financial Planning and Core Funding Assumptions

Appendix A

Assumption	Monetary Value £m				%				Comments
	2023-24	2024-25	2025-26	2026-27	2023-24	2024-25	2025-26	2026-27	
Council Taxbase Increase	3.4	3.0	3.1	3.2	1.5%	1.2%	1.2%	1.2%	Annual increases based on combination of forecast housing growth, Council Tax collection rates and cost of Council Tax Reduction Scheme.
Council Tax Strategy	6.4	6.6	4.5	4.6	3.0%	3.0%	2.0%	2.0%	Assumes an increase in Basic Council Tax of 1.99% each year and 1% Adult Social Care Precept in 2023-24 and 2024-25 in line with Central Government planning assumptions
Collection Fund Surplus / (Deficit) position	3.7	0.0	0.0	0.0	n/a	n/a	n/a	n/a	Estimated balance on the Council Tax and Business Rates Collection Fund is monitored in year. Forecast reflects an element of the deficit from 2020-21 which had to be spread over the 3 years to 2023-24.
Pay Inflation	6.3	2.5	2.6	2.6	2%	2%	2%	2%	Percentage increase in pay budgets negotiated nationally. Currently assumed at 2% basic pay annually plus additional increases to keep pace with OBR forecasts for the National Living Wage rate. The budget for 2023-24 is higher as it includes additional budget to cover the permanent impacts of the higher than budgeted anticipated 2022-23 pay award.
Employer Pension Contributions Increase	-0.7	-0.4	0.0	0.0	-1%	-0.6%	0%	0%	Phased reduction in rate payable in line with the latest triennial valuation of the Cheshire Pension Fund which take effect from 2023-24.
Exceptional Inflation	5.8	1.5	1.5	1.5	n/a	n/a	n/a	n/a	Budget set aside for contractual price increases above rate of inflation. Set as a fixed cash budget. The budget for 2023-24 is higher as it also includes additional budget to cover the permanent impacts of higher than budgeted 2022-23 contract price increases.
Contingency	2.5	2.5	2.5	2.5	n/a	n/a	n/a	n/a	General contingency for uncertain items arising in year. Set as a fixed cash budget.
Interest and Debt Repayment	22.5	23.6	24.3	25.0	n/a	n/a	n/a	n/a	Revenue cost of repayments of debt and interest payments associated with the borrowing undertaken to finance the capital programme.
Planned Repayment to / (Use of) General Reserves	0.0	0.0	0.0	0.0	n/a	n/a	n/a	n/a	Amount transferred to / from general reserves in year

Assumed Government Grant Allocations	2023-24	2024-25	2025-26	2026-27	
	£m	£m	£m	£m	
Core Central Government Funding					
Business Rates - Retained Income	58.4	60.4	61.4	62.5	Assumes an inflationary increase in business rates income in line with latest forecasts for CPI from Central Government
Revenue Support Grant	3.5	3.5	3.5	3.5	Future years assume allocations remains at current level
New Homes Bonus	-	-	-	-	New Homes Bonus expected to reduce to nil in 2023-24 in line with previous Government announcements.
Social Care Support Grant	12.0	12.0	6.7	6.7	Allocations expected to reduce after the current Parliamentary term ends, in line with latest Government information.
Services Grant	3.7	3.7	3.7	3.7	Future years assume allocations remains at current level
Market Sustainability and Fair Cost of Care Grant	1.0	1.0	1.0	1.0	Future years assume allocations remains at current level
Housing Benefit & Council Tax Benefit Admin Grant	1.0	0.8	0.7	0.7	Assumed reduction in the Housing Benefit caseload as the Universal Credit is fully rolled out therefore less grant expected to be payable to the Council for administration.
Inshore Fisheries Grant	0.1	0.1	0.1	0.1	Future years assume allocations remains at current level
Extended Rights to Free Transport Grant	0.5	0.6	0.7	0.8	Future year allocations assumed to increase based on prior year increases in the allocation.
Local Reform & Community Voices	0.2	0.2	0.2	0.2	Future years assume allocations remains at current level