

Inflation assumptions in the MTFS

Details	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028	Source
Pay inflation	4%	2%	2%	2%	Based on latest pay award and OBR forecasts for inflation
Employer pension contribution	26%	26%	26%	26%	2023 to 2026 Triennial Review of pension fund by the fund actuaries (Hymans)
Pension take-up	97%	97%	97%	97%	Based on salary estimates
Vacancy savings	2.5%	2.5%	2.5%	2.5%	Based on salary estimates and historical performance
General inflation	0%	0%	0%	0%	
Drainage board precepts	3%	3%	3%	3%	
ICT inflation	3%	3%	3%	3%	Unless contractual rate available
Business rates	6.7%	2%	2%	2%	Linked to finance settlement. The business rates multiplier is increased annually by the September CPI
Fees and charges	Varies	2%	2%	2%	These will be considered on a service by service basis following the Councils agreed fees and charges policy and user pay principles
Utilities	5%	5%	5%	5%	Based on contract allowances and market expectations
Electricity	7.5%	7.5%	7.5%	7.5%	Based on contract allowances and market expectations
Transport - fuel	5%	5%	5%	5%	

Appendix A

Insurance premium increases	15%	10%	10%	10%	Working assumption to be tested in 2024
Interest receivable	4%	3%	2.5%	2.5%	Following advice from our treasury advisors
Interest payable	4.85%	4.85%	4.85%	4.85%	Following advice from our treasury advisors

Budget assumptions continue to be reviewed and updated as more accurate information becomes available.