

<b>Budget assumption changes pressures/improvements</b>	<b>2024 to 2025 £m</b>	<b>2025 to 2026 £m</b>	<b>2026 to 2027 £m</b>	<b>2027 to 2028 £m</b>
<b>Budget gap - February 2023 budget process</b>	<b>0.00</b>	<b>2.67</b>	<b>3.69</b>	<b>4.26</b>
<b>Inflation and demand changes:</b>				
Pay Award - Impact of the 2023 to 2024 agreement of flat £1,925 to all points 2 to 43 and 3.88 per cent for points 44 and above plus increased assumption of 4 per cent for 2024 to 2025. 2 per cent assumed for future years. One off additional cost associated with previously assumed reserve funded posts now accommodated within the overall salary budget to ensure consistency of funding. The main remaining posts still funded from reserves relate to the Housing Options team linked to government funding. Pension contributions reduced in 2026 to 2027 to remain at current contribution 2023 to 2026 rates – see note below in financial planning section.	1.83	1.51	1.46	1.40
Increased External Audit Fees as set by Public Sector Audit Appointments (PSAA), relating to additional statutory audit work.	0.12	0.12	0.12	0.12
Insurance costs - retendering in 2024. Limited public sector insurance market. Assumed increase in premiums, subject to retendering. Budget assumption at this stage.	0.13	0.17	0.22	0.28
Waste Tipping Charges - Suffolk CC price increase due to inflationary pressures.	0.13	0.13	0.13	0.13
Refuse Collection - Suffolk CC Gate Fees for Black, Blue and Brown bins all increasing due to inflationary pressures.	0.14	0.14	0.14	0.14
Increase in Verse cleaning and security contract - driven by increase in National Living Wage and inflationary pressures.	0.09	0.09	0.09	0.09
Increased vacant property holding and security costs, projects in progress to reduce in the medium to longer term	0.05	0.05	0.05	0.05
Utilities - gas and water inflationary price increase	0.32	0.34	0.36	0.37
Other contractual inflationary increases	0.13	0.13	0.14	0.14
Other consumables price inflation	0.11	0.11	0.11	0.11

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Other aggregated activity driven pressures	0.41	0.41	0.44	0.48
<b>Inflation and demand changes:</b>	<b>3.46</b>	<b>3.20</b>	<b>3.26</b>	<b>3.31</b>
<b>Strategic Priorities and Statutory demands:</b>				
Investment in additional Grounds Maintenance service - increased skilled workforce and additional investment in new equipment for operational efficiencies.	0.19	0.20	0.20	0.20
Brown Bins - additional bin truck round added to service, increase costs through staffing and additional vehicle	0.17	0.18	0.18	0.19
Brown Bins - additional round income linked to £3 increase charge for April 2024 to recover cost of service and further increase £3 charge for April 2026.	(0.11)	(0.22)	(0.22)	(0.22)
Building Control - structure changes to address legislative requirements linked to Grenfell Planning Policy additional specialist posts to support delivery of Local Plans policies and national requirements considered as part of planning applications in particular ecology and urban design capacity.	0.16	0.16	0.16	0.16
Planning Policy additional specialist posts to support delivery of Local Plans policies and national requirements considered as part of planning applications in particular ecology and urban design capacity.	0.26	0.26	0.26	0.26
Planning service fee income increase – fees set by government – introduced December 2023	(0.42)	(0.42)	(0.42)	(0.42)
Vehicle Workshop - additional resource and costs to support income and future resilience linked to simple recycling	0.07	0.08	0.08	0.08
Vehicle Workshop - additional income projection year 1, increases in medium term to reflect additional capacity and income generating opportunities	(0.05)	(0.06)	(0.07)	(0.07)
Increased regulatory services skilled workforce to address increased demands and regulation changes on private sector housing service	0.17	0.17	0.17	0.17
Parks and Open Space management investment to support increased ground maintenance requirements	0.04	0.04	0.04	0.04
Increased property capacity to support the additional investment in our assets, ensuring we maximise the value of our resources and are taking the right steps towards our net zero ambitions	0.11	0.11	0.11	0.11
Retention of capacity within our families and communities team to support our thriving communities priority	0.06	0.06	0.06	0.06

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Establish a commissioning pot to progress a number of sustainable growth objectives including the economic potential of Brandon and the A1307, A11 and A14 corridors	0.50	0.00	0.00	0.00
Establish a fund to support the objective 'Develop and improve access to a programme of activities and advice for residents facing challenges as a result of the cost-of-living crisis', delivery model to be considered	0.10	0.10	0.00	0.00
Extraordinary utility support for Abbeycroft to protect against swimming pool closures and reduction in provision.	0.30	0.00	0.00	0.00
Provision to identify more ways in which the council can increase affordable, preferably social housing, across the district, including investigating the use of a Housing Revenue Account so that the council can build homes for social and affordable rent.	0.10	0.00	0.00	0.00
Above initiatives (above 4 lines) to be funded from the Strategic Priorities and MTFS Reserve	(1.00)	(0.10)	0.00	0.00
<b>Strategic Priorities and Statutory demands:</b>	<b>0.65</b>	<b>0.56</b>	<b>0.55</b>	<b>0.56</b>
<b>Financial Planning impact:</b>				
Asset Management Plan – increase in annual contribution to reflect increased contractor costs and programme of investment in council owned properties to generate additional rental income returns.	0.20	0.20	0.20	0.20
Vehicle Replacement Plan - increase in annual contribution to reflect increase in replacement costs for vehicles, plant and equipment	0.10	0.10	0.10	0.10
Revised Local Plan costs to reflect increased inspection volumes and associated costs with delivering a local plan.	0.21	0.15	0.15	0.15
Pension Contributions reduction in previously assumed rate increase from April 2026. Rate remains consistent within the medium to longer term plans	0.00	0.00	(0.49)	(0.50)
Other reserve funding contributions, including waste management reserve which covers the costs of waste bins, increases due to inflationary and demand pressures.	0.27	0.26	0.26	0.26
<b>Financial Planning impact:</b>	<b>0.78</b>	<b>0.71</b>	<b>0.22</b>	<b>0.21</b>

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<b>Income assumptions impact:</b>				
Sustained Business Rates Growth income released to base budget forecast (inc Suffolk Pooling to 2026). Current year forecasting includes additional business rates growth, projecting that growth forward into the medium term. Assumption from April 2026 is only 50 per cent of business rate retention growth is retained under any government changes – assumption only at this stage. Subject to the government's NNDR1 return, due end of January 2024 - final update to be included in Cabinet and Council papers.	(4.72)	(5.54)	(1.50)	(1.53)
Contribution of one-off Suffolk Public Sector Leaders pool share benefit included within the above Business Rates Growth contributed to the Strategic Priorities & Medium Term Financial Strategy Reserve to fund strategic projects.	1.10	0.00	0.00	0.00
Assume current Fair Funding Review (various grants from government) will roll forward into 2026 - assumption only at this stage.	0.00	(1.02)	0.00	0.00
Council Tax (increase in taxbase and 3 per cent maximisation)	(0.17)	(0.07)	(0.07)	(0.07)
Interest receivable - higher market rates and cash investments held – reflected in projections across the medium term from those assumed in February 2023	(0.68)	(0.27)	(0.18)	(0.18)
Contribute interest receivable to Capital Financing Reserve toward future interest rate variances	0.68	0.27	0.18	0.18
Utilities - electricity price/volume reduction in part linked to actuals and reduction in consumptions linked to decarbonisation investments	(0.25)	(0.25)	(0.25)	(0.26)
Increased Car Parking income based on current and future volume trends	(0.26)	(0.26)	(0.26)	(0.26)
Increased income from Civil Parking Enforcement (CPE) based on current trends	(0.11)	(0.11)	(0.11)	(0.11)
Reduced CCTV income as a result of reduced income contracts	0.09	0.09	0.09	0.09
Increased Trade Waste income (based on current volume trend)	(0.09)	(0.09)	(0.09)	(0.10)
Solar Farm income - revised pricing based on forecast market rates. Current rate is fixed to April 2025. Still projected to deliver significantly above original business case.	0.00	1.21	1.21	1.21
Market income - revised to reflect current occupancy levels	0.02	0.02	0.02	0.02
Impact of provisional finance settlement as detailed in the main report.	0.00	0.00	0.07	0.07

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Additional funding announcement - expectation is that West Suffolk will receive further Rural Services Delivery Grant and Funding Guarantee income. Figures estimated at this stage - to be confirmed with final settlement	(0.19)	0.00	0.00	0.00
Contribute the above additional funding to the Strategic Priorities and MTFS reserve	0.19	0.00	0.00	0.00
Member allowances approved scheme in line with previous budget assumptions	0.00	0.00	0.00	0.00
Other income assumption changes	(0.07)	(0.09)	(0.09)	(0.09)
<b>Income assumptions impact:</b>	<b>(4.46)</b>	<b>(6.11)</b>	<b>(0.98)</b>	<b>(1.03)</b>
<b>Budget delivery programme:</b>				
Car parking fees and charges	(0.31)	(0.31)	(0.31)	(0.31)
Additional rent income from commercial estate through rent and lease renewals and asset investments improving rental values achieved	(0.12)	(0.12)	(0.12)	(0.12)
Review of asset portfolio to generate new/additional income through investment e.g. Rougham Hill, Provincial House, Anglian Lane, industrial units – net £200k after borrowing costs.	0.00	(0.20)	(0.20)	(0.20)
Change and Service Improvement Programme	0.00	(0.40)	(0.40)	(0.40)
<b>Budget delivery programme:</b>	<b>(0.43)</b>	<b>(1.03)</b>	<b>(1.03)</b>	<b>(1.03)</b>
<b>Total budget assumption changes</b>	<b>0.00</b>	<b>(2.67)</b>	<b>2.02</b>	<b>2.02</b>
<b>Remaining budget gap as at January 2024</b>	<b>0.00</b>	<b>0.00</b>	<b>5.71</b>	<b>6.28</b>