

Budget Preparation Parameters

The following key parameters have been reflected in the budget and medium term projections.

	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
Council Tax Annual Increase (Council element)	1.99%	1.99%	1.99%	1.99%
Growth in Council Tax Base	2.1%	1.0%	1.0%	1.0%
Adult Social Care Precept (Council element)	1.0%	1.0%	1.0%	0.0%
Pay Award	2.0%	2.0%	2.0%	2.0%
Price Inflation (Gas)*	40%	15%	15%	15%
Price Inflation (Electricity)*	35%	15%	15%	15%
Price Inflation (NNDR)	0.0%	2.0%	2.0%	2.0%
Borrowing Interest Rate (PWLB 25 year rate)	2.6%	2.6%	2.6%	2.6%
Return on Investment	0.1%	0.1%	0.1%	0.1%
NNDR Income Annual Increase	0.0%	2.0%	2.0%	2.0%
Growth in NNDR Tax Base	0.0%	0.0%	0.0%	0.0%

*The MTFS incorporates provision for general inflation and demographic growth. During 2021-2022 wholesale energy prices have soared due to levels of supply and demand: therefore, resulting in increased gas and electricity costs for consumers. Whilst energy prices are increasing, consumption is reducing in light of a change in working practices during the ongoing Covid-19 pandemic. At the point of writing, it is anticipated that the budget allocated for utilities will be sufficient for 2022-2023, however, given the economic environment this will be kept under review and subject to further updates.

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