

*MTFP Planning Assumptions – February 2021**Cost Pressures and Inflation Assumptions*

1.1 Cost pressures currently included in the MTFP are detailed in Table 1.

Table 1: Budget Pressures 2022/23 – 2025/26

Budget Pressures by Category	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Demography	2.160	2.200	2.206	2.720	9.286
Demand - New	(0.337)	0.000	0.000	0.000	(0.337)
Demand - Other	0.080	(0.200)	(0.200)	0.000	(0.320)
Legislative	1.528	1.032	0.158	0.000	2.718
Policy Choice	0.050	0.050	0.000	0.000	0.100
Unidentified Pressures	1.500	1.500	1.500	1.500	6.000
Total Ongoing Service Pressures	4.981	4.582	3.664	4.220	17.447

1.2 These will be refreshed in September. The Cabinet and Corporate Leadership Team will continue to critically evaluate new and existing cost pressures, with the aim of reducing them wherever possible. Further scrutiny of these pressures will be undertaken by the Budget and Resources Scrutiny Committee in the Autumn.

1.3 General inflation assumptions and contractual inflation for the larger contracts currently included in the MTFP are detailed in Table 2. These will be refreshed in the Autumn and updated in the December draft budget.

Table 2: Contractual Inflation Assumptions 2022/23 – 2025/26

	2022/23	2023/24	2024/25	2025/26
General				
Pay Inflation	2.00%	2.00%	2.00%	2.00%
General Non-Pay Inflation*	0.00%	0.00%	0.00%	0.00%
Fees & Charges Inflation	2.00%	2.00%	2.00%	2.00%

	2022/23	2023/24	2024/25	2025/26
Contractual				
SERCO – Waste Collection, Street Cleansing, Food & Garden Waste (DTI Indices)	2.75%	2.75%	2.75%	2.75%
SERCO – Landscape - DTI Indices	2.50%	2.50%	2.50%	2.50%
Ringway - highways works	1.85%	1.85%	1.85%	1.85%
Excel Care	3.45%	3.45%	3.45%	3.45%
Extracare	2.31%	2.31%	2.31%	2.31%

* assumes must be contained within existing budgets

1.4 Council Tax assumptions are detailed in Table 3.

Table 3: Council Tax

	2022/23	2023/24	2024/25	2025/26
MKC Band D	1.99%	1.99%	1.99%	1.99%
ASC Precept	2.49%	0.00%	0.00%	0.00%
Total Increase	4.48%	1.99%	1.99%	1.99%