

Appendix 2

The Table below gives an overall summary of the Council's General Fund MTFP position (which includes a wide range of assumptions).

MTFP General Fund Summary

2024/25 £'000		Notes	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
15,815	Net Direct Cost of Services		16,477	17,309	17,997	18,612
(1,957)	Net recharge to HRA		(2,015)	(2,076)	(2,137)	(2,201)
813	Provision for Repayment of Borrowing	1	872	968	1,093	1,138
14,670	Net Service Costs		15,334	16,202	16,953	17,548
(1,059)	Net Interest Costs/(Receipts)	2	(629)	(680)	(633)	(628)
352	Finance Lease Interest Payable		352	352	352	352
(841)	Net Transfers to/(from) Earmarked Reserves	3	(178)	(92)	83	319
13,123			14,878	15,782	16,754	17,591
	Funded By:					
(4,422)	Retained Business Rates	4	(4,610)	(4,200)	(4,282)	(4,366)
(105)	Revenue Support Grant	5	(105)	(52)	(52)	(52)
(634)	Rural Services Delivery Grant	5	(634)	(634)	(634)	(634)
(414)	New Homes Bonus	5	(414)	(207)	(207)	(207)
(14)	2024/25 Services Grant	5	(14)	(7)	(7)	(7)
(566)	2024/25 Funding Guarantee	5	(566)	(283)	(283)	(283)
(6,968)	Council Tax–MDDC	6	(7,340)	(7,569)	(7,805)	(8,047)
(13,123)	Total Funding		(13,682)	(12,952)	(13,270)	(13,596)
0	Annual Gap – Increase/(Decrease) In-year		1,196	1,633	655	511
0	Cumulative Gap		1,196	2,829	3,484	3,995

Notes:

1. The Provision for repayment of borrowing incorporates the financial implications of the current Capital Programme.
2. The reduction in Net Interest Costs / (Receipts) reflects the assumption that interest rates reduce and balances held reduce as they are used to fund the capital programme.
3. Net Transfers to / (from) Earmarked Reserves reflects planned contributions to, or drawdowns from reserves. This is likely to change significantly during this budget process.
4. The Retained Business Rates increase is assumed to be a 2% increase. However income drops in 2026/27 to reflect the potential changes the Government might implement to the Business Rates Retention Scheme. These include Re-Baselining and Resource Equalisation. No use of the Smoothing Reserve has been factored in (currently £801k but dependent upon annual collection surplus/deficit).
5. The current assumption is for a cash freeze in grants for 2025/26. However in 2026/27, it is assumed that the long awaited implications for grant funding arising from the Fair Funding Review are implemented, i.e. those announced as one off / ceasing will have stopped. However, there is an expectation that these are replaced, at least in part, but forecasting that is impossible. For simplicity, all except the Rural Services Grant are assumed to half, but it is hoped that this is the prudent / worst case forecast.
6. Council Tax income is forecast assuming Band D charge increases in line with recent referendum limits and an increase in the taxbase in line with the local plan requirements (c350 properties per annum) and a return to normal (98%) collection rate over the life of the MTFP.