

APPENDIX A

UPDATED FINANCIAL FORECAST 2024/25

Line		Prior Year Budget	Updated Forecast (10 November 2023)	Updated Forecast (15 December 2023)	Change between November and December Positions
		2023/24	2024/25	2024/25	
		£m	£m	£m	£m
<b>Underlying Funding Growth in the Budget</b>					
1	Council Tax Increase 1.99%	(0.181)	(0.191)	(0.191)	0.000
2	Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.068)	(0.064)	(0.064)	0.000
2a	Council Tax Increase 3%	(0.024)	(0.033)	(0.033)	0.000
3	Growth in Business rates - Inflation	0.000	(0.231)	(0.231)	0.000
4	Growth in Council Tax - general property / tax base growth	(0.217)	(0.187)	(0.158)	0.029
5	Growth in Business Rates - general property / tax base growth	(0.531)	(0.041)	(0.041)	0.000
6	Collection Fund Surpluses b/fwd - Ctax	(0.477)	(0.100)	(0.159)	(0.059)
7	Collection Fund Surpluses b/fwd - BR	(0.307)	0.000	0.000	0.000
		<b>(1.806)</b>	<b>(0.847)</b>	<b>(0.877)</b>	<b>(0.030)</b>
<b>Net Cost of Services and Other Adjustments</b>					
8	Change in RSG (including other financial settlement funding)	(0.441)	0.750	0.750	0.000
9	Remove one-off items from prior year	(0.352)	(0.375)	(0.375)	0.000
10	Remove one-off items from prior year - Collection Fund Surplus	(3.192)	0.784	0.784	0.000
11	LCTS Grant To Parish Council's	0.004	0.000	0.000	0.000
12	Revenue Contrib. to Capital Programme	(0.012)	0.000	0.000	0.000
13	Specific change in Use of Reserves	3.233	0.073	0.073	0.000
14	On-going savings Identified / Achieved	(0.742)	0.000	(1.242)	(1.242)
15	Other Adjustments	(0.458)	0.000	0.000	0.000
16	Use of New Homes Bonus	0.000	(0.500)	(0.500)	0.000
17	Gain from Essex Business Rates Pool Membership	0.000	(0.400)	(0.400)	0.000
		<b>(1.961)</b>	<b>0.332</b>	<b>(0.910)</b>	<b>(1.242)</b>
<b>Cost Increases</b>					
18	Inflation - Employee / Members Allowance Costs (including annual review adjustments)	2.117	1.000	1.255	0.255
19	Inflation - Other	1.011	0.701	0.483	(0.218)
20	Unavoidable Cost Pressures	1.444	0.500	1.487	0.987
		<b>4.572</b>	<b>2.201</b>	<b>3.225</b>	<b>1.024</b>
21	Add back Use of Forecast Risk Fund / Reserves in Prior Year	<b>0.431</b>	<b>1.236</b>	<b>1.236</b>	<b>0.000</b>
22	<b>ANNUAL Structural Budget Deficit / (Surplus) BEFORE Required 'Savings'</b>	<b>1.236</b>	<b>2.922</b>	<b>2.674</b>	<b>(0.248)</b>
23	On-going Savings Required	0.000	(0.500)	0.000	0.500
24	<b>ANNUAL Structural Budget Deficit / (Surplus) AFTER Required 'Savings'</b>	<b>1.236</b>	<b>2.422</b>	<b>2.674</b>	<b>0.252</b>
25	Use of Forecast Risk Fund / Other Reserves to support the Net Budget Position*	(1.236)	(2.422)	(2.674)	(0.252)

\* For 2023/24, this figure was met from other reserves and not directly by the Forecast Risk Fund

Use of Forecast Risk Fund

<b>Outturn b/fwd from prior years</b>	<b>(3.316)</b>	<b>(6.142)</b>	<b>(6.142)</b>	
Applied in year as set out in the forecast above	0.000	2.422	2.674	0.252
Additional contributions generated / required in year	(0.250)	(0.250)	(0.250)	0.000
Additional contributions via the Financial Strategy Process	(2.576)	0.000	0.000	0.000
<b>Balance to Carry Forward</b>	<b>(6.142)</b>	<b>(3.970)</b>	<b>(3.718)</b>	<b>0.252</b>

	Year	Updated Forecast (10 November 2023)	Updated Forecast (15 December 2023)	Change between November and December Positions
		£m	£m	
<b>Forecast Risk Fund Summary</b>				
<b>Used to Meet Annual Deficit</b>	2025/26	2.146	2.443	0.297
	2026/27	1.291	2.021	0.730
		<b>£m</b>	<b>£m</b>	
<b>Estimated (Surplus) / Deficit Balance at the end of the year</b>	2025/26	(2.074)	(1.525)	(0.549)
	2026/27	(1.032)	0.247	(1.279)