MID SUFFOLK DISTRICT COUNCIL

COMMITTEE: Council		**REPORT NUMBER: XXXX**
FROM:	**Councillor Richard Winch, Acting, Cabinet Member for Finance & Assets**	**DATE OF MEETING: 27 February 2025**
OFFICERS:	**Melissa Evans, Director of Finance & Procurement**	**KEY DECISION REF NO. Item No.**

2025/26 GENERAL FUND BUDGET & MEDIUM-TERM FINANCIAL POSITION (MTFP)

1. PURPOSE OF REPORT

1.1 The purpose of this report is to present the General Fund Budget for 2025/26 and the medium-term forecast financial position up to 2029/30.

1.2 To enable Council to consider key aspects of the 2025/26 Budgets, including Council Tax proposals, in order to approve the budget recommendations.

2. OPTIONS CONSIDERED

2.1 Setting a balanced budget is a statutory requirement, therefore no other options are appropriate in respect of this.

3. RECOMMENDATIONS

That Council approves:

3.1. The General Fund revenue and capital budget for 2025/26 set out in the report.

3.2. No increase in 2025/26 for the Band D Council Tax of £175.03.

3.3. The new income bands and contribution rates for the 100% Local Council Tax Reduction (Working Age) Scheme, as set out in paragraph 8.15.

3.4. The Council Tax Support Discretionary Policy for 2025/26 attached in Appendix J, are endorsed for recommendation to Council on 27 February 2025.

3.5. The Council Tax resolution set out in Appendix I

That Council notes:

3.6. The Medium-term Forecast set out in Appendix A

3.7. The section 25 report on the robustness of estimates and adequacy of reserves in Appendix H

REASON FOR DECISION

To bring together all the relevant information to enable Cabinet Members to review, consider and comment upon the Council's General Fund budget for endorsement and recommendation to Council.

4. EXECUTIVE SUMMARY AND COMMENTARY

4.1 The 2025/26 revenue budget shows a surplus of £2.4m compared to a surplus of £5.2m in 2024/25, a decrease of £2.8m or 54% (Table 1). The key components of this are:

4.2 Gross income (including funding) of £33.1m compared to £35m in 2024/25, a decrease of £1,897m (5%) (Appendix A). The material items contributing to this change are:-

- Business Rates Income has reduced from £9.4m to £8.8m, 2025/26 having been re-calculated to reflect the completed NNDR1. (Table 9)
- Fees and charges totalling £5.3m compared to £4.8m in 2024/25, an increase of £456k (9.5%) (Table 5).
- Rental and other income of £2.3m compared to £1.9m in 2024/25, an increase of £415k (22.4%)
- New Homes bonus of £1.9m compared to £1.7m in 2024/25, an increase of £220k (13.1%)
- Rural Services Delivery Grant withdrawn in 2025/26 creating a reduction in income of £588k
- No increase in Council Tax from that charged in 2024/25, meaning the Band D charge will remain at £175.03. However, the tax base has increased by 3.7% (para 8.13) giving an increase in income of £170k.

4.3 Gross expenditure of £30.8m, compared to £29.9m in 2024/25, an increase of £921k (3%) (Appendix A). The key components of this are:

- Employee costs of £15.3m compared to £13.7m in 2024/25, an increase of £1.6m (11.4%) (Table 2). Included within this increase are a £352k increase resulting from the review of the cost sharing Memorandum of Understanding between Babergh and Mid Suffolk (para 7.4) and a net £99k of staff costs allocated towards delivery of the priorities within the Mid Suffolk Plan (para 7.5)
- Premises expenses of £1.8m compared to £1.3m in 2024/25, an increase of £466k (34.9%)
- Supplies and services of £7m compared to £6.7m in 2024/25, an increase of £299k (4.5%)
- A transfer to reserves of £1m to provide for the loss in value of pooled investments (para 8.7)
- Capital financing charges of £1.9m as compared to £2.7m in 2024/25, a decrease of £0.8m (29%) (Table 4)

4.4 The 2025/26 capital budget is £25.9m for 2025/26 (and £52m in total over the medium-term period 2024/25 to 2029/30) (Appendix F).

4.5 In addition, the budget includes proposed investment of £10.4m in 2025/26 (and a further £17.9m over the medium-term period) in a pipeline of capital projects (the capital ambition programme) funded from reserves (Appendix G).

4.6 Overview and Scrutiny reviewed the draft budget proposals at its meeting on 19 December 2024, the following recommendations are for Cabinet to consider

- That Mid Suffolk Overview and Scrutiny Committee notes the draft General Fund budget proposals for 2025/26 and the Medium-Term Financial Plan.

- That Mid Suffolk Overview and Scrutiny Committee endorses the ambitious capital programme put together by the Administration

- That the Cabinet gives consideration to their priorities within the capital programme and explores bringing forward projects, such as SHELF, where deliverable

- That the Director for Finance and Procurement explores increasing locality grant funding to a minimum of £10,000 per councillor for 2025/26 and raising this figure annually at least by CPI.

- That the Cabinet reviews the suggestion to not raise council tax for the 2025/26 budget and considers introducing a small increase.

4.7 Cabinet's response to the recommendation regarding bringing forward of the capital programme is to do this wherever possible within the constraints imposed by the pressures on the budget and medium-term forecast of capital financing costs.

4.8 Cabinet supports the increase of locality grant funding to £10k per Councillor for 2025/26, with increases by CPI in subsequent years and this is reflected in the budget and medium-term financial plan.

4.9 Cabinet has reviewed the suggestion not to raise council tax for the 2025/26 year but feels that it is not reasonable to increase the tax burden on residents until the financial resources available to the Council are fully deployed. Consequently, there is no increase to Council Tax recommended in the 2025/26 financial year but increases of 2% per year are included in the subsequent four years of the medium-term financial plan.

4.10 The Council's finances are unusual compared to many district councils in that the revenue budget is forecast to be in surplus in 2025/26 and 2024/25 as it was in 2023/24. The surpluses partially arise from significant housing development across the district generating large amounts of New Homes Bonus and buoyant growth in Business Rates including income from the Freeport site in Stowmarket, Gateway 14. In addition, this has generated a £20m dividend in 2024/25 along with a capital receipt from Gateway 14 Ltd by way of the repayment of previously invested equity of £1.6m. As a result, the Council has a fund of resources available that most other district councils do not possess.

4.11 The Council proposes to use its budgeted surplus and dividend income to fund the actions and capital investment needed to deliver the priorities in the Mid Suffolk Plan.

4.12 The Council agreed at its meeting in January 2024 a re-set of the Council's priorities and approach to help create thriving and resilient communities in the Mid Suffolk area (see report MC/23/32 Mid Suffolk Plan).

4.13 The actions the Council wants to focus on are set out below. Some of these the Council can achieve directly but some it can only influence others to deliver as it does not run these services, and the Council will therefore need to continue lobby to ensure these priorities are deliverable.

Housing & infrastructure:

- Increasing the availability of truly affordable homes, reducing homelessness
- Ensuring we have more insulated and energy efficient homes
- Supporting and encouraging private landlords and homeowners towards zero carbon living
- Enabling sustainability in the built environment
- Supporting better rural transport improving travel connectivity

Resilience:

- Empowering and enabling more active citizenship
- Building capacity & capability within communities
- Ensuring we engage with all our communities
- Protecting heritage and its cultural significance
- Supporting local businesses
- Championing local food production
- Supporting the delivery of a greener, skilled economy Community Wellbeing

Community Wellbeing:

- Working to respect, harness and promote local culture
- Enabling greater access to green spaces
- Enhancing walking and cycling opportunities
- Addressing inequalities (including health, poverty, educational and employment)
- Promoting greater pride in your place

Environmental Sustainability:

- Working to achieve net zero carbon emissions as a Council and across the whole district
- Supporting and facilitating more community energy production
- Working towards zero waste
- Improving biodiversity and nature recovery
- Enabling and encouraging clean, secure, energy and water supply and management

4.14 Details of the investment proposed to deliver the actions and capital expenditure required are shown in Appendix C (Funding the Council's Action Plan), Appendix F (Proposed Capital budget for 2025/26 to 2029/30) and Appendix G (Proposed Capital Ambition Programme for 2025/26 to 2029/30).

4.15 In 2024/25 the Council will be using £3m of its Useable Capital Receipts Reserve to contribute to the funding of the Housing Revenue Account's (HRA) capital investment in its housing stock given the severe financial challenges currently faced by the HRA. The remaining balance of £1.6m will be carried forward for future use as the need arises.

4.16 In acknowledgement of the resources forecast to be available to it, along with the recognition that many residents are still experiencing the Cost-of-Living crisis, the Council has limited increases in fees and charges in 2025/26 and is proposing no increase in Council Tax for 2025/26.

4.17 The MTFP contains a number of assumptions on the future level of funding the Council will receive. Government has made it very clear in their Local authority funding reform

consultation published on 18 December 2024, that there will be a full package of funding reforms in 2026/27 which they have stated will build on the previous Government's Fair Funding Review along with a full Business Rates baseline reset (see explanations of this terminology in the Glossary in Appendix K). Their unexpected decision (on 28th November 2024) to abolish the Rural Services Delivery Grant in 2025/26 (currently worth £588k to this Council), in order for it to be redistributed to councils with more needs and less ability to raise Council Tax income, also strongly indicates their intended direction of travel for 2026/27 and beyond.

4.18 As a result of the uncertainty over future funding this budget and Medium-Term Financial Position assumes no Government grant funding is received from 2026/27 onwards and that Business Rates income will be significantly reduced. Consequently the forecast is for the Council to switch from having a surplus on the revenue budget in 2025/26 to around break even in 2026/27 and then deficits in following years as shown in Appendix A. Whilst the forecast deficits are adequately covered by reserves this is not an ideal position and if it becomes evident that Government funding is not available Cabinet will work with the Senior Leadership team to address any future budget gaps.

4.19 The Council has a healthy level of reserves with £49.8m of earmarked reserves forecast to be available at the end of 2024/25. It is proposed that the costs of delivering the Mid Suffolk Plan (action plan and capital ambition programme) will be financed from reserves. It is also proposed that the elements of the capital programme that are not financed from external grants or contributions will be financed from reserves, consequently eliminating the need for MRP costs to be incurred. This would, on current plans and forecasts, still leave balances of £16.7m in financial resilience and risk reserves available to the Council over the medium-term planning period and an overall total of £29.1m earmarked reserves (Appendix D).

4.20 The medium-term reserves forecast includes significant future dividend income from the Council's subsidiary company Gateway 14 Ltd of some £26.4m over the period 2025/26 to 2029/30 (Appendix E). It is the Council's proposed intention to invest this income into the district by delivering the priorities in the Mid Suffolk Plan. However, the dividend income forecast does need to be treated with some caution, and whilst the estimates come from the company's current Business Plan, they are dependent on future development profits being realised and therefore cannot be guaranteed.

4.21 In order to both mitigate this risk and to allow the Council future flexibility in using the forecast dividend income for other purposes if needed, for example, funding a budget gap or reducing the Council's overall debt position, it is proposed that any expenditure that will be financed from future dividend income and estimated budget surpluses will not be contractually committed until the forecast income is more certain. This position will be reviewed annually as part of the budget setting process.

4.22 The Council's ambition is to deliver the programme set out in this budget. The Council is fully aware that there are currently a number of significant uncertainties relating to the financing and organisation of local government. These will be regularly reviewed and may ultimately require priorities to be revised. No capital ambition commitments will be made until the future income from which they will be funded is certain. However, at this point we believe that inertia is not an appropriate response, and we wish to set out a plan to deliver the mandate given to us by the voters of Mid Suffolk.

5 KEY BACKGROUND INFORMATION

National Economic Position

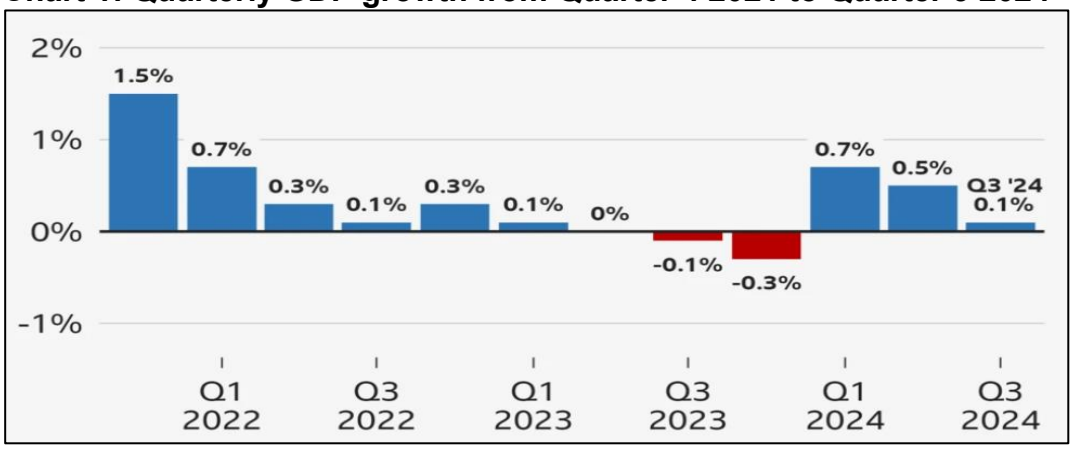
Economic Growth

5.1 The economy has struggled to recover from the impact of the pandemic. It is now widely acknowledged (for example by the Governor of the Bank of England) that Brexit has also had an adverse impact.

5.2 GDP (Gross Domestic Product) growth was 0.7% and 0.5% in the first two quarters of 2024. However, growth prospects going forwards remain low. The OBR (Office for Budget Responsibility) in its October 2024 "*Economic and Fiscal*" report forecasts growth of 1% this year, rising to 2% in 2025.

5.3 This outlook is uncertain. Forecasts from the Bank of England, for instance, are more pessimistic (0.9% in the year to 2025 Q2, 1.2% in the year to 2026 Q2, and 1.6% in the year to 2027 Q2). The most recent figures published by the Office for National Statistics in November 2024 show that growth in the third quarter 0f 2024 was only 0.1% which is lower than anticipated In addition, the National Institute of Economic and Social Research has warned that if the President-elect of the United States goes ahead with his plan for a universal tariff of 10% on all imports, it could cut the UK's growth rate next year to 0.4%.

Chart 1: Quarterly GDP growth from Quarter 4 2021 to Quarter 3 2024



Source: Office for National Statistics November 2024

5.4 Without economic growth, it is difficult to see where the increases in tax revenues will come from to fund public sector services including the annual Local Government Financial Settlement. Low growth rates will put even more pressure on the public finances.

Inflation

5.5 The Consumer Price Index (CPI) has fallen rapidly over the last 12 months. It fell from 6.7% in September 2023, to 1.7% in September 2024 and went up again in November to 2.6%. The November figure is the highest in six months and was largely the result of increased gas and electricity prices after the energy cap went up on 1 October 2024.

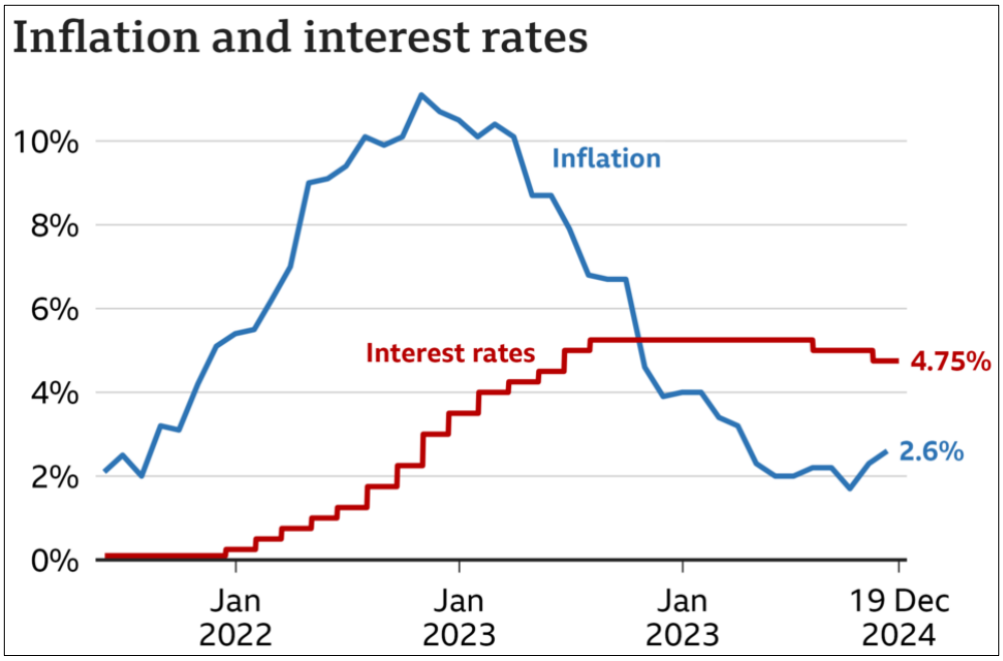
5.6 The Bank of England (BoE) estimates the Budget impact will see the CPI rate at 2.7% by year end 2025 and remain over target in 2026, as opposed to the prior projection of inflation easing back to and then below target by this point. The OBR state that any further escalation of the conflicts in the Middle East pose a risk to their inflation forecast, initially via its impact on energy prices**.** Some commentators are also warning that the increase in employees' costs from the increase made to the Employers' National Insurance Contribution rate could lead to higher prices**.** Appendix B gives details of the inflationary rates assumed in the Council's proposed 2025/26 budget.

Interest Rates

5.7 The BoE Monetary Policy Committee (MPC) cut interest rates by 0.25% on 7 November 2024 meaning the base rate is currently 4.75%. It last cut rates in August 2024. The results of the next scheduled MPC meeting will be announced on 19 December 2024.

5.8 The Council's external Treasury Management advisers forecast interest rates going forwards at 4.25% by March 2025 and settling at 3% by December 2025. Given that the Council holds short-term borrowing of some £30m, interest rates are of high importance to the budget forecast. Interest costs comprise 6% of the 2025/26 gross service expenditure budget and falling interest rates will help to mitigate these costs

Chart 2: UK CPI Inflation and Interest rates to December 2024



Source: Office for National Statistics December 2024

The state of Public Finances

5.9 The Budget announced by the Chancellor on 30 October 2024 was the first for a Labour Government in 14 years and reveals the choices that this Government will make about public spending and taxation for the remainder of the parliament. However, what remains unchanged is that this Government still has to contend with enormous fiscal pressures resulting from the low economic growth that has persisted since 2008 and the growing pressures on public services.

5.10 Measures announced in the Budget will raise £40bn in additional revenues. Much of the pre-Budget focus was on the choices that the Chancellor would make about taxation. She was limited in her ability to increase the main rates of taxation (VAT, employees' National Insurance Contributions, and income tax), and has focused on increasing employers' National Insurance Contributions (by £25bn annually).

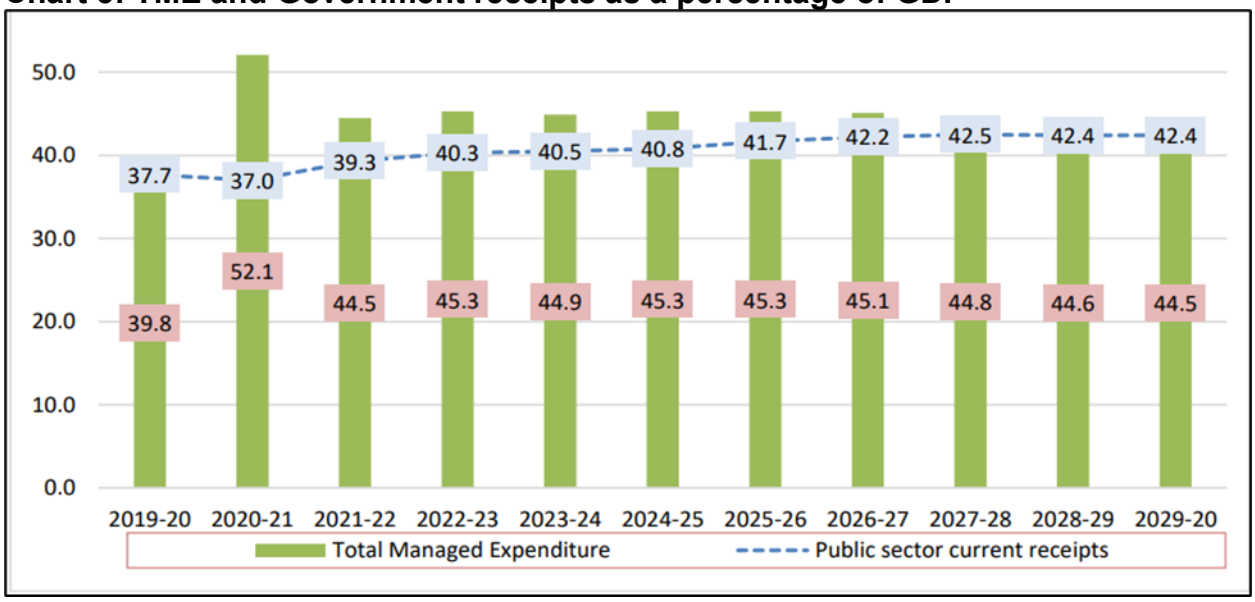
5.11 Changes were also made to the fiscal rules that will enable the Government to invest in infrastructure whilst constraining day-to-day spending. The new rules have largely been welcomed and are very similar to the rules that local government applies to its budgets. They are briefly as follows:

- The stability rule – day-to-day spending (including debt interest payments) will be matched by revenues.
- The investment rule – government assets will now be included within a new measure of debt known as "public sector net financial liabilities". It is estimated that this new measure will give the capacity for a further £59bn in borrowing every year.
- The third rule means that targets for balancing the current budget are now on a 3-year rolling target rather than 5 years.

5.12 The Chancellor's fiscal plans will result in higher levels of public spending and taxation than were in the previous Government's Spring Budget. Total Managed Expenditure (TME) is now projected to settle at around 44-45% of GDP (compared to 43% in the Spring Budget), and significantly higher than pre-pandemic level of 39.8%. The after-effects of the pandemic, together with increases in debt payments, have resulted in a permanently bigger state.

5.13 The Chancellor has decided to use much of the increase in taxation to fund key services There is a substantial injection of funding in 2025/26. Schools funding is a major winner, with a £2.3bn increase in the core schools' budget. There is also £300m for further education, and a £1bn uplift in SEND funding (6% real-terms increase, from 2024/25). Defence will receive a £2.9bn increase (meeting the target of spending 2% of GDP). The NHS also received an increase (£22.6bn revenue, £3.1bn capital).

Chart 3: TME and Government receipts as a percentage of GDP



Source: Office for National Statistics November 2024

5.14 For the medium term, the Chancellor upgraded future spending plans from a 0.9% to a 1.5% real terms growth. Translating future spending guidelines into real departmental budgets however is difficult particularly as only a one-year spending review was announced for 2025/26 and nothing firm beyond that. It is therefore difficult to forecast future growth in spending for local government and the overall spending increases still imply very tight settlements over the whole spending review period for most services, particularly those that are not protected services which local government has been in the recent past.

5.15 Public Sector Net Borrowing is forecast to reduce from £127.5bn in 2024/25 to £70.6bn in 2029/30. Debt will remain at elevated levels (98.4% of GDP in 2023/24 and even in year five of the forecast the level of debt is still forecast at around 97% of GDP). Debt will not be returning to pre-pandemic levels any time soon (85% of GDP).

5.16 Servicing this debt will continue to put pressure on the public finances and will make it difficult for the Government to increase borrowing for investment. This is now particularly important because the Chancellor intends that revenue spending, including debt charges, will be fully funded over a three-year period. The risk for the Chancellor is that economic growth is lower than forecast, along with tax receipts. Given the small margins available to her, any deterioration in her fiscal forecasts will require public sector spending ambitions to be scaled-back or taxes further increased.

5.17 Through the English Devolution White Paper published on 16 December 2024, the Government has signalled its intention to change how Local Government operates, replacing the two-tier council structure with new unitary councils and creating mayoral strategic authorities. This paper is prepared on the basis that the District Councils will be going concerns for the considerable future, until at least April 2027. It is important, however, to note the impact devolution and local government reform will have.

6 SUMMARY AND BACKGROUND TO THE 2025/26 REVENUE BUDGET

2024/25 Revenue Budget

6.1 The second quarter 2024/25 budget monitoring report is presented to Cabinet as a separate item on this meeting's agenda and shows a forecast surplus of £6.698m compared to a budgeted surplus of £5.201m, a beneficial increase of £1.497m (29%).

2025/26 Budget approach

6.2 The most significant budget items are forecast afresh for the new financial year from a zero-base, including the employees' budget, grant income from Government, financing costs, interest income, Business Rates and Council Tax income. For the rest of the budget the approach is to take the 2024/25 quarter 2 forecast outturn position as a starting point as the most up to date position of the Council's financial requirements going forwards. Advice on key and complex estimates has also been sought from expert external advisers.

6.3 The Finance Team have worked closely with budget managers and the Senior Leadership Team to update the Council's budget requirements for 2025/26, taking into account known pressures and identifying efficiencies, savings, and income opportunities to help balance the budget position.

6.4 Several budget workshops have been held with Cabinet members throughout the year to discuss the emerging budget proposals and the medium-term financial position.

6.5 The fees and charges for 2025/26 were agreed by Cabinet on 5 November 2024 and the budget incorporates the impact of the changes agreed.

2025/26 Budget - key figures, tables, and charts

6.6 The summary in Table 1 below shows the breakdown of the 2025/26 budget compared to the 2024/25 approved budget and shows the net cost of services and the overall surplus position.

6.7 Appendix A shows the same forecast position in terms of gross forecast expenditure and gross forecast income (i.e. without distinguishing between the net cost of services and Council wide items of expenditure, income, and funding).

Table 1: General Fund Budget Summary for 2024/25 and 2025/26

Budget Areas		Budget 2024/25	Q2 Forecast 2024/25	Budget 2025/26	Difference 24/25 to 25/26
		£000	£000	£000	£000
Service Expenditure	Employees	13,698	13,652	15,253	1,555
	Premises	1,337	1,855	1,803	466
	Supplies & Services	6,717	7,235	7,007	290
	Transport	504	546	535	31
	Contracts	4,827	4,871	5,076	249
Grants & Income	Grants and Contributions	(1,832)	(1,902)	(1,765)	67
	Sales, Fees & Charges	(4,827)	(5,125)	(5,283)	(457)
	Rental & Other Income (incl. PV panels)	(1,852)	(2,325)	(2,267)	(415)
Housing Benefits	HB Transfer Payments	(9,366)	(9,366)	(9,366)	0
	HB Grants and Contributions	9,239	9,239	9,239	0
Reserves	Transfers to / (from) Reserves	(2,325)	(2,571)	(2,523)	(198)
Net expenditure on services as above		**16,121**	**16,110**	**17,708**	**1,587**
Recharges	Charge to HRA/Capital	(1,792)	(1,693)	(1,610)	182
Capital Financing Costs	Interest Payable - CIFCO	396	396	375	(21)
	Interest Payable - Short-Term Borrowings	2,645	1,704	1,619	(1,025)
	Item 8 Debit Recharge to HRA	(1,693)	(2,757)	(2,367)	(673)
	Revenue Contribution to Capital		83	839	839
	Minimum Revenue Provision (MRP)	1,324	1,376	1,423	99
Investment Income	Interest Receivable - Pooled Funds	(566)	(458)	(420)	146
	Interest Receivable - CIFCO	(2,172)	(2,172)	(2,160)	12
	Pooled Funds - Transfers to Reserves	-	500	1,000	1,000
	Interest Receivable - Short-Term Investments	(4)	(750)	(178)	(174)
	Interest Receivable - Regal Theatre loan	(27)	(27)	(27)	0
	Item 8 Credit Recharge from HRA	-	302	142	142
	Dividend from Gateway 14 Ltd	(20,000)	(20,000)	(2,900)	17,100
	Transfer of Gateway 14 Dividend into reserves	20,000	20,000	2,900	(17,100)
Total Net Cost of Services		**14,230**	**12,614**	**16,344**	**2,114**
Government Grants	New Homes Bonus	(1,683)	(1,683)	(1,903)	(220)
	Revenue Support Grant (RSG)	(121)	(121)	(157)	(36)
	Services Grant	(14)	(14)		14
	Employers National Insurance Compensation			(132)	(132)
	Rural Services Delivery Grant	(588)	(588)		588
	Funding Guarantee	(346)	(346)	(271)	75
Business Rates	Baseline business rates	(2,935)	(2,935)	(1,222)	1,712
	Business Rates Pool share of Growth Benefit	(600)	(600)	(788)	(188)
	S31 Business Rates Grant	(3,841)	(3,841)	(3,171)	670
	Business Rates - Renewable Energy	(647)	(647)	(640)	7
	Business Rates Pool - Removal of Top Slicing	(700)	(700)	(606)	94
	Income from Freeport	(240)	(38)	(365)	(125)
	Pot B BMS Invest (Skills & Innovation Centre)		(83)	(839)	(839)
	B/R Prior Year Deficit/(Surplus)	(396)	(396)	(1,144)	(748)
Council Tax	Council Tax	(7,222)	(7,222)	(7,490)	(267)
	Council Tax Prior Year Deficit/(Surplus)	(98)	(98)		98
Total Funding		**(19,431)**	**(19,312)**	**(18,727)**	**704**
Net Balance (To) / From Reserves		**(5,201)**	**(6,698)**	**(2,383)**	**2,818**

Note: The differences showing in the final column are between the Budget for 2024/25 approved by Council in February 2024 and the 2025/26 budget proposals

6.8 Charts 4 and 5 below illustrate the overall budget for gross expenditure and gross income excluding Housing Benefits payments and compensating subsidy income. These charts

show percentage shares of the total figure – the actual figures themselves can be found in Appendix A.

Chart 4: 2025/26 Gross Expenditure (excl. housing benefits)

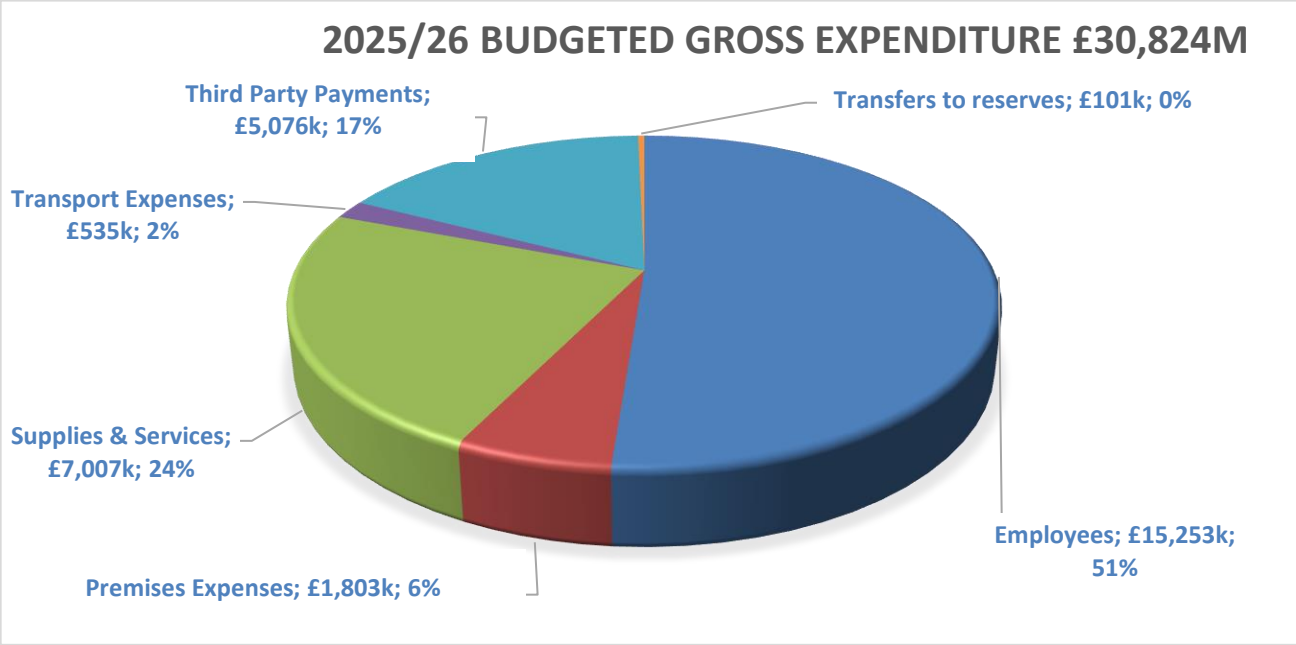
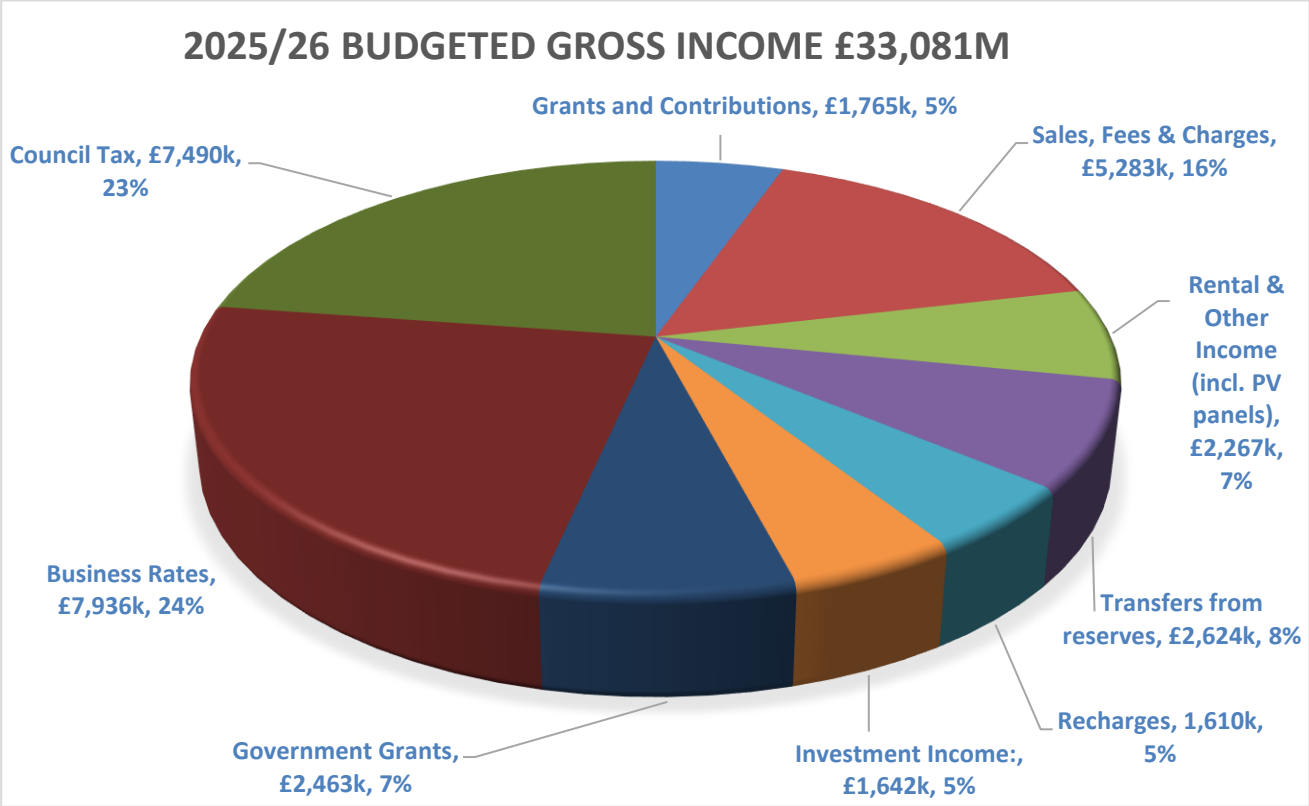


Chart 5: 2025/26 Gross Income (excl. housing benefits)



7 KEY ASSUMPTIONS MADE IN THE 2025/26 EXPENDITURE BUDGETS

7.1 Constructing a budget that runs to 13 months beyond when it was approved means that several assumptions have to be made about the conditions that are likely to exist over an

extended period. The key assumptions are summarised in Appendix B and detailed in the paragraphs that follow.

Employees' Budget

7.2 The Council's pay structure is primarily based on national negotiating body pay spines and nationally negotiated settlements. The 2024/25 agreed Pay Award is a £1,290 increase per FTE (Full Time Equivalent) up to SCP 43 and 2.5% for SCP 44 and above. This equates to a rise of 3.5%. For 2025/26 a 3% Pay Award increase has been assumed. It should be noted every 1% increase in the Pay Award creates a permanent and additional budget pressure of approximately £120k. Given that pay costs form a significant proportion of the Council's budget and the uncertainty over future Pay Awards, this is a key budget risk.

7.3 In addition, the budget assumes that incremental increases within the Scale Points within each Grade will occur at 2% per annum. In 2023/24 this increase was 2.1%. Based on HR data, 85% of staff are eligible for an incremental progression in 2025/26.

Table 2: Detail of the employee's budget

Employee Costs Breakdown	Budget 2024/25 £000's	Budget 2025/26 £000's
Salaries	10,354	11,180
Overtime	10	11
Employers NI	1,071	1,456
Employers Pension	2,619	2,842
Recharge - CDC	(185)	(218)
Vacancy Management Factor	(702)	(415)
Apprenticeship Levy	57	59
Pension Payments	78	0
Agency Staff	125	22
Staff Training Costs	138	123
Employees Insurance	124	181
Other Employee Costs	11	10
Total Employee Costs	**13,698**	**15,253**
Externally Funded	(477)	(466)
Reserve Funded	(520)	(1,191)
Total Funding	**(996)**	**(1,658)**
Bottom Line Employee Costs Total	**12,702**	**13,595**

Note: the CDC (Corporate & Democratic Core) is a recharge to the HRA for its share of the cost of senior corporate management

7.4 Included within the employee cost budget is a proposal to update the cost sharing Memorandum of Understanding of staff costs between Babergh and Mid Suffolk. This is reviewed annually to fairly reflect the time spent on each Council's work. The increase in cost from this reallocation is £352k.

7.5 Also included in the employee cost budget is an amount of £861k relating to the Council's action plan (Appendix C). £762k of this amount is funded by reserves giving a net increase to Employee costs of £99k.

7.6 As in previous years the assumption is that, due to retirements, resignations, creation of new posts and turnover, a reduction in costs will occur. Therefore a 3% vacancy

management factor has been included in the 2025/26 budget (it is 5% in this year's budget, but the second quarter forecast indicates that this is over the target).

7.7 The Apprenticeship Levy contribution is assumed to increase at 5% per annum in line with salary increases whilst Employee's Insurance is forecast on preliminary worst-case figures as tenders are received for the 2025/26 contract.

7.8 The Employers National Insurance contribution is currently 13.8% with the annual salary threshold for it being paid at £9.1k. The new contribution rate from April 2025 is 15% with the threshold being reduced to £5k following the Chancellor's Budget announcement in October 2024. In 2025/26 for Mid Suffolk this increase equates to £250k. The compensation from Government based on the methodology set out in the Provisional settlement will be £132k, a shortfall of £118k, and does not include any increase for externally provided local services, e.g. the Waste contract with Serco. The actual amount will be confirmed in the final settlement in February 2025.

7.9 The Employers Pension contribution rate is currently 26% and we have assumed this rate going forwards. This rate is reviewed every three years as part of the external Actuaries' revaluation of the Pension Fund: the next review is in March 2025 and any changes to contribution rates will take effect from 2026/27.

7.10 As shown in Table 2 above some of the employee costs are funded from grants (most notably Homelessness Grant from Government) and from the Council's own earmarked reserves. Most of these employees will either be on short-term contracts or agency contracts.

Supplies, services, and contractual costs

7.11 Many of the Council's contracts have inflationary increases incorporated within them and therefore the increases in CPI and RPI measures have created a clear pressure on the budget position. The waste contract includes a £49k increase to cover national insurance increases which is not covered by the compensation from Government. Inflationary increases have been applied across the Council's main contracts and information on these is found in Appendix B.

Table 3: Detail of the major contracts' budgets

Major Contracts Breakdown	Budget 2024/25 £000's	Budget 2025/26 £000's
Domestic Waste Contract	2,461	2,605
Garden Waste Contract	649	672
IT SCC Contract	488	476
Shared Revenues Partnership Contract	1,129	1,216
Trade Waste Contract	101	106
Total	**4,827**	**5,076**

Capital Financing Charges

7.12 The Finance Team has done a considerable amount of work since February 2024 when the 2024/25 budget was agreed, in developing and enhancing the methodology and modelling used to estimate financing costs and cash flow forecasts. There are consequently significant movements from the 2024/25 budget to the 2025/26 budget.

Table 4: Detail of the capital financing charges budgets

Capital Financing Charges	Budget 2024/25 £000's	Budget 2025/26 £000's
Interest Payable (CIFCO)	396	375
Interest Payable - s/t borrowings	2,645	1,619
MRP	1,324	1,423
Interest Payable - Item 8 Debit	(1,693)	(2,367)
Revenue Contribution to Capital	0	839
Grand Total	**2,672**	**1,889**

Interest Payable (CIFCO)

7.13 This in interest payable on the two 50-year loans borrowed from the PWLB (Public Works Loans Board) at fixed interest rates of 2.63% and 1.71% which have been used to fund part of the lending to the Council's wholly owned property company, CIFCO. The interest the company pays to the Council is included in investment income shown in Table 6.

Interest payable - short-term borrowing

7.14 This is the interest the Council needs to pay on its short-term borrowing (mostly from other local authorities) which is needed to fund ongoing operations, when cash reserves require short-term borrowing, and to fund capital expenditure (both capital programme and capital ambitions). Interest is forecast to be lower in 2025/26 because the Council has been able to repay some maturing short-term borrowing following receipt of the £20m dividend from Gateway 14 Ltd. More information on these items is presented to Cabinet and Council in the 2025/26 Capital, Investment, and Treasury Management Strategy report.

7.15 The assumptions made in producing this estimate are as follows:

- Average interest rates of 5.34% for 2024/25 and 4.25% for 2025/26. These have been obtained from Arlingclose, the Council's treasury management advisors, with a margin added to the 2025/26 forecast to reflect the impact of borrowings taken out in 2024/25 running into 2025/26.
- Slippage in spending the capital budget of 25% per annum.
- New short-term borrowing of some £12m to fund the General Fund capital programme.
- Refinancing as necessary of the Council's existing short-term debt of some £27m on an on-going basis.

Minimum Revenue Provision (MRP)

7.16 This represents the amounts set aside each year to finance the repayment of the debt that the Council has incurred to finance capital expenditure. The MRP forecasts are based on the 2024/25 agreed and 2025/26 capital budget. More information on MRP and how it is calculated can be found in the Glossary of Financial Terms in Appendix K.

Interest Payable Item 8 Debit

7.17 This represents the amount the HRA has "borrowed" from the General Fund instead of borrowing from external lenders. The significant increase in the charge is due to the part

year impact of the £10.3m borrowing that the HRA is forecast to need in 2025/26 and the full year impact of the £4m increase in the HRA Capital Financing Requirement (CFR) arising from the exercise recently undertaken in reducing the depreciation charges to the HRA.

Revenue Contribution to Capital Outlay (RCCO)

7.18 This is a revenue budget cost of part-funding the building of the new Skills & Innovation Centre as agreed by Council at its meeting in December 2023. This cost is funded by using Pot B Business Rates income forecast to be received from businesses located at the Freeport site Gateway 14 in Stowmarket.

Additional budget costs

7.19 The Council agreed at its meeting in January 2024 a re-set of the Council's priorities and approach to help create thriving and resilient communities in the Mid Suffolk area (see report MC/23/32 Mid Suffolk Plan). Additional budget items totalling £333k in 2024/25, £950k in 2025/26, and £1.583m over the medium-term planning horizon, are included in the revenue budget and MTFP shown in this report. Details of these costs are given in Appendix C.

7.20 As also explained in paragraph 7.4, a revised allocation of officer time between Babergh and Mid Suffolk District Council has been included to support delivery of the plan, which has resulted in increased employee costs for Mid Suffolk in 2025/26 of £352k.

8 KEY ASSUMPTIONS MADE IN THE 2025/26 INCOME BUDGETS

Fees and Charges Income

8.1 The revenue generated from fees and charges is an important source of income to the Council, and essential to ensure that the delivery of Council services is sustained both now and into the future.

8.2 The Council's sales, fees, and charges for 2025/26 (Table 5 below) were approved by Cabinet on 5 November 2024 and are budgeted at £5.283m: this compares to £4.827m for 2024/25, an increase of £456k or 9.5%.

8.3 It is Council's intention over time to ensure that fees and charges are cost neutral and that costs offer full value for money. Ensuring that our fees and charges fully cover the Council's cost of delivering these services helps avoid the need to subsidise them using funds from other non-fee earning areas of the organisation. However, for the 2025/26 budget Cabinet agreed, in cases where statutory requirements permit, limiting the increases in a majority of areas to meet only the cost of inflation, which in September 2024 was 1.7%. This does not, in all cases, give full cost recovery but a programme will be undertaken to ensure that full cost recovery and value for money is achieved in future years. The increase this year is restricted wherever possible in acknowledgement of the resources forecast to be available to the Council along with the recognition that many residents are still experiencing the Cost-of-Living crisis.

8.4 The forecast increase in income in 2025/26 is largely the result of two factors:

- A forecast increased volume of planning fees, with no change in the actual fee levels. Planning fees are set by National Government and although it is anticipated that there may be an increase in the coming year there is currently no indication of the level.

- Growth in activity for trade waste collections along with an increase in garden waste subscriber numbers.

8.5 Further details of these can be found in the "Fees and Charges 2025/26 report to November Cabinet (MCa/24/27). Table 5 shows the fee estimates by service broken down by volume and fee increase.

Table 5: 2025/26 Fees increases, and forecast volume changes

Service Area	Budget 2024/25	Budget 2025/26	Volume change	Fee change	Volume change	Fee change	Total (Increase)/ Decrease	Total (Increase)/ Decrease
			(Increase) / Decrease					
	£'000	£'000	£'000	£'000	%	%	£'000	%
Recycling, Waste & Fleet	(2,096)	(2,294)	(152)	(46)	(7.3)	(2.2)	(198)	(9.5)
Planning & Enforcement	(957)	(1,148)	(191)	-	(20.0)	-	(191)	(20.0)
Building Control	(422)	(472)	(48)	(1)	(11.4)	(0.3)	(49)	(11.7)
Licensing	(213)	(230)	-	(18)	-	(8.4)	(18)	(8.4)
Other Inc. Public Realm	(1,139)	(1,139)	(14)	14	(1.2)	(1.2)	-	-
Total	**(4,827)**	**(5,283)**	**(405)**	**(51)**	**(8.4)**	**(1.1)**	**(456)**	**(9.5)**

Investment Income

Table 6: Detail of the investment income budget

Investment Income	Budget 2024/25 £000's	Budget 2025/26 £000's
Interest Receivable – short term investments	(4)	(178)
Interest Receivable - Regal Theatre loan	(27)	(27)
Pooled Funds Transfer to Reserve	0	1,000
Interest Receivable - Item 8 Credit	0	142
Interest Receivable (CIFCO)	(2,172)	(2,160)
Pooled Funds Income	(566)	(420)
Grand Total	**(2,769)**	**(1,642)**

Interest income from short-term investments

8.6 The Council has not historically set a budget for this income as returns have been minimal due to low interest rates although this should have been done for 2024/25 and has now been corrected in the forecast year end projections in the Quarter 2 Budget monitoring report. The 2023/24 outturn was £32k achieved on an average cash balance held of £6.7m and with a prevailing short term average interest rate of 4.82%. The 2025/26 forecasts assume a prudent estimate of average cash balances held by the Council running at £5m and average short-term interest rates for the year of 3.56%, based on the forecasts provided by Arlingclose.

Accounting for the Loss in value of Pooled Investments

8.7 The Council retains three pooled investments which are managed by three providers (CCLA, Ninety-One, and Schroder). CCLA is a property-based fund, Schroder is equity- based, and Ninety-One is a multi-asset fund. Any loss in value on active fund investments should, under internationally accepted accounting rules, be charged as a cost to the revenue budget. However, the Government has applied a statutory override to this requirement over the last few years which is due to expire at the end of 2024/25. The Government has not indicated that it will extend the override and therefore a loss in value of the three investments, currently forecast at £1m, has been included as a cost in the 2025/26 revenue budget forecast. This will be transferred to a new reserve to fund any loss when it actually crystalises i.e. if the fund closes or if the Council chooses to sell the investment.

Item 8 Credit

8.8 This represents the amount the HRA has "borrowed" from the General Fund instead of borrowing from external lenders. An estimate was not given in the 2024/25 budget although a charge will be made in that financial year. The correction in the 2025/26 budget has arisen from the work the Finance Team has undertaken on improving the robustness of these estimates. More information on the item 8 recharges and their method of calculation can be found in the Glossary of Financial Terms in Appendix K.

Interest Receivable from CIFCO

8.9 interest is charged to the company at 5% per annum. The 50-year loans are due to be repaid fully in 2068 and 2071. Interest payments from 2024/25 onwards will be in-year whilst the two years owing from 2021/22 & 2022/23 will be paid over the medium-term. Based on the company's current Business Plan no dividend income is planned to be received by the Council in the medium-term.

Interest income from Pooled Funds

8.10 The forecast income is based on a historic level of return from these funds and advice from our external advisers Arlingclose. The decrease in income forecast in 2025/26 also arises from the closure of the USB pooled fund in 2024/25 which has resulted in a loss of annual income of £80k.

Government Grants

Table 7: Detail of the Government grants as per the Provisional Settlement

Government Grants Breakdown	Budget 2024/25 £000's	Budget 2025/26 £000's
Funding Guarantee	(346)	(271)
New Homes Bonus	(1,683)	(1,903)
Revenue Support Grant	(121)	(157)
Rural Services Delivery Grant	(588)	0
Employers National Insurance Compensation	0	(132)
Services Grant	(14)	0
Grand Total	**(2,751)**	**(2,463)**

8.11 The provisional local government finance settlement for 2025/26 was announced on 18 December 2024. For the seventh time, the settlement is for one-year only. Excluding the ENIC, the Council's 2025/26 provisional grant allocation has decreased by £420k (15.3%) compared to 2024/25.

8.12 The key headlines of the Provisional settlement are as follows:

Relevant to Mid Suffolk

- "Core" Band D council tax 2.99% maximum increase, or £5
- Core Spending Power (CSP) will increase by 6.0% in 2025/26, an increase of £3.9bn.
- Baseline Funding Level (BFL) and Revenue Support Grant (RSG). Local authorities' RSG allocations will be uplifted in line with the Consumer Price Index. BFL allocations will be uplifted by the increase in the standard business rating multiplier (1.67%). "Negative RSG" continues to be abolished.
- Cap compensation will be paid to compensate authorities for lost income arising from the decision to freeze the small business rating multiplier
- Domestic Abuse Safe Accommodation Grant (£160m) is now included within CSP. Previous years are adjusted for the transfer, with a £30m increase in funding in 2025/26.
- Minimum Funding Guarantee (MFG). Continues into 2025/26 but it will be on a much-reduced basis. The threshold will reduce from 4% to only 0% and will include both Band D increases and taxbase growth. Other grants within CSP will be included as in previous years. Cost of MFG will reduce from £269m in 2024/25 to £121m in 2025/26.
- New Homes Bonus (NHB) will continue in 2025/26 (£290m), and there will be no change in the methodology, and no future legacy payments. Confirmed as being the final year NHB will operate.
- Services Grant will be abolished in 2025/26
- Rural Services Delivery Grant (RSDG) will be abolished in 2025/26.
- Funding of £515m for the increase in Employer National Insurance Contributions (ENICs) will be made available to local government but allocations will not "confirmed" until the final settlement. The £515m has been determined based on local government's share of the "directly employed staff across the public sector". Government will use each authority's share of Net Current Expenditure (NCE) for 2023/24 to distribute the £515m.
- There will continue to be "no negative Revenue Support Grant" in 2025/26 (no change on previous years' treatment).
- Suffolk will continue as a business rates pool in 2025/26.
- Additional income of £1.1bn from the Extended Producer Responsibility for packaging (EPR) will be received by local authorities in 2025/26. Allocations were announced by DEFRA on 27 November 2024. EPR payments will not be included within Core Spending Power.
- The flexible use of capital receipts will be extended until 2030. Authorities will also be able to capitalise redundancy costs.
- Homelessness funding will increase by £233m in 2025/26, with detail on allocations to be confirmed, and Disabled Facilities Grant (DFG) will also increase by £86m.

While these grants are welcome, they are ring fenced in nature and therefore do not reduce the budget gap in 2025/26 or the budget proposals set out in this report.

Not directly relevant to Mid Suffolk (included for information)

- Maximum increase for fire authorities is £5, and £14 for police and crime commissioners. No referendum principles for town and parish councils.
- Adult social care (ASC) precept (2% in 2025/26). No change from 2024/25.
- New Recovery Grant (£600m additional funding). Grant is highly targeted towards authorities with the highest levels of deprivation.
- New Children's Services Prevention Grant. £250m new funding, distributed using a new children's funding formula. To be increased to £263m in the final settlement.
- The Adult Social Care grant will increase by £880m (£600m announced in the 2024 Budget plus a further £80m in the Policy Statement and a further £200m in the provisional settlement). The ASC MSIF grant will continue at £1.050bn in 2025/26.
- Social care grant distribution. Distribution methodology will continue to use the Adult RNF with the ASC precept partially equalised (£240m out of a potential £590m).
- Local Authority Better Care Fund (previously the Improved Better Care Fund) remains unchanged, except that ASC Discharge Fund (£500m) has now been rolled in. Total is now £2.693bn.
- £3m for Internal Drainage Board levies.
- Various grants will be rolled into RSG in 2025/26. Election Integrity Programme New Burdens, Extended Rights for Home to School Transport, Island Funding, Tenant Satisfaction Measures and Transparency Code. These have been rolled into RSG, and previous years have been adjusted.

Income from Council Tax

8.13 The taxbase for 2025/26 has increased from 41,264.65 to 42,791.05 or 3.7%. Whilst there has been growth of dwellings built and occupied from October 2022 to October 2023, the taxbase growth is impacted by the introduction of the Second & Empty homes premium, and discounts and reductions for things like the single person discount and the council tax reduction scheme. This growth in taxbase generates £267k for 2025/26 based on a band D equivalent.

8.14 This budget shows no increase in Council Tax and the Band D charge for 2025/26 will remain the same as this year's at £175.03 per annum. A 1% increase in Band D Council Tax levied would generate an additional amount in 2025/26 of £75k.

8.15 In line with the policy agreed by Council in February 2024 income from charging a premium of 100% for second homes from 1st April 2025 has been included in the forecast figures of £95k.

Local Council Tax Reduction Scheme

8.16 The Council introduced an ongoing 100% Local Council Tax Reduction Scheme in 2023/24 and committed to review the scheme each year to ensure that it kept pace with inflation. It is proposed to update the Income Bands by the Consumer Price Index for September 2024 (1.7%), as for other welfare benefits to ensure the scheme continues to support the most vulnerable households. The contribution rates will be increased by indicative council tax increases to control the cost of the LCTR Scheme, although customers who do not work, or who earn less than £72.46 per week, will have no Council Tax to pay. This ensures that the

scheme remains affordable and sustainable whilst continuing to support the most vulnerable households. The proposed criteria for 2025/26 are summarised in the table below.

Table 8: 2025/26 Proposed Income Bands and Contribution Rates

Income Bands (Monthly)	monthly contribution	Income Bands (Weekly up to)	Weekly contribution
Not in work or less than £314	£0	Not in work or less than £72.46	£0
£314 - £660.99	£45	£152.76	£10.38
£661 - £1257.99	£92	£290.30	£21.23
£1258 to £2000.99	£133	£461.76	£30.69
£2001 - £2570.99	£201	£593.30	£46.38
£2571 - £2999.99	£263	£692.30	£60.69
Over £3000	No entitlement to LCTR	over £692.30	No entitlement to LCTR

Council Tax Support (CTS)

8.17 There are 1386 customers who still have a Council Tax balance to pay after Discounts, Reliefs and Council Tax Reduction has been applied. These are referred to in this report as CT residual liabilities.

8.18 In 2024/25, the Council introduced a Discretionary Council Tax Support Scheme which awarded up to £50 to residents with council tax residual liabilities and prepared for a continuation of that scheme to be brought to Council as part of the 2025/26 budget setting.

8.19 The administration of CTS will be done alongside the administration of Council Tax annual billing and managed throughout the year as an automated process. Whilst this is a relatively simple process, there is an annual licence fee of £1,950 +VAT per annum for the use of the functionality.

8.20 Agreeing this scheme for 2025/26 as part of the budget setting process, removes any additional cost for printing and postage as this work as it is undertaken while Council Tax bills are being generated and included on the Council Tax bill produced for 2025/26.

8.21 The cost of the scheme for 2025/26 will be £125k and this will be funded from Mid Suffolk's Implementation reserve as part of the Council's ambitions shown in Appendix C.

8.22 Details of the Council Tax Support Discretionary policy for 2025/26 can be found in Appendix J.

Income from Business Rates

8.23 The Government's proposals on Business Rates, most of which were announced in the Chancellor's Budget, are as follow

- As announced on 29 July 2024, private schools in England will no longer be eligible for charitable rate relief (this does not affect Mid Suffolk).

- For 2025/26, eligible retail, hospitality and leisure (RHL) properties in England will receive 40% relief on their business rates liability. RHL properties will be eligible to receive support up to a cash cap of £110k per business.
- For 2025/26, the small business multiplier in England will be frozen at 49.9p. The Government will lay secondary legislation to freeze the small business multiplier. The standard multiplier will be uprated by the September 2024 CPI rate to 55.5p.
- The Government intends to introduce permanently lower multipliers for Retail, Hospitality and Leisure (RHL) properties from 2026/27, paid for by a higher multiplier for properties with Rateable Values above £500k.
- English local authorities will be fully compensated for the loss of income and administration costs resulting from these business rates measures via the receipt of a Section 31 Grant.

Table 9: Detail of the Business Rates income budgets

Business Rates Breakdown	Budget 2024/25 £000's	Budget 2025/26 £000's
S31 B/Rates Grant	(3,841)	(3,171)
Baseline business rates	(2,935)	(1,222)
B/Rates – growth/pooling benefit	(600)	(788)
Removal of Top Slicing	(700)	(606)
B/Rates prior yr deficit / (surplus)	(396)	(1,144)
Business rates - Enterprise Zones	(240)	(365)
Business rates - Renewable Energy	(647)	(640)
Freeport Pot Business Rates Income	(83)	(839)
Grand Total	**(9,443)**	**(8,775)**

Business Rates and S31 Grants

8.24 S31 Grants are based on current monitoring and the completed NNDR1. The numbers also reflect the lowering of the Retail, Hospitality & Leisure relief from 75% to 40%. NNDR1 figures have been reduced for budget purposes to reflect the fact that Income from the Freeport will be split between the Freeport and The Council's partners.

Suffolk Business Rates Pool

8.25 The benefit from being part of the Suffolk Business Rates Pool is forecast at £788k. In addition, it has been agreed that the top slice awarded annually to Suffolk Public Sector Leaders Group (SPSLG) to fund county wide projects will instead be retained by each council in the pool to help fund each council's budget. Mid Suffolk is forecast to benefit by an additional £606k from this in 2025/26.

Business Rates from Freeport

8.26 Pot A Business Rates Income from the Freeport is budgeted at £365k. Increased occupancy of warehousing is mitigated by payment of the management fees to Freeport Ltd.

8.27 Included in the table is also income from 'Pot B' Business Rates which is being used to fund the Contributions to Capital (RCCO) which can be seen in Table 1. This in its turn is part funding the construction of the new Skills and Innovation Centre along with the use of

Council reserves as agreed by Council in December 2003. Once the building is complete future Pot B income will over time be used to replenish the Council's Mid Suffolk Plan Implementation Reserve.

Business Rates Collection Fund Surplus or Deficit

8.28 The 2025/26 budget contains £1.144m surplus from the completed NNDR1.

9. RESERVES

9.1 Section 43 of the Local Government Finance Act 1992 requires that, when setting the budget for the forthcoming year the Council must have regard to the level of reserves needed to provide enough resources to finance estimated future expenditure plus any appropriate allowances that should be made for contingencies.

9.2 The forecast position on the Council's earmarked reserves is shown in Appendix D. The Council has classified the reserves into three groups: reserves held to mitigate financial risks and to increase future financial resilience, reserves set up to fund specific services, and reserves that are available to fund the actions and capital investment required to deliver the Mid Suffolk Plan. Details of the key reserves in the latter category are given in Appendix E.

9.3 The balance on earmarked reserves at the end of 2024/25 is forecast at £49.603m. This includes income added to the reserves during this financial year (£20m of dividend income from Gateway 14 Ltd and £1.6m of capital receipts already realised). The balance also includes the forecast surplus on the revenue budget for 2024/25 of £6.7m.

9.4 It is proposed that £26.3m of reserves are used in 2025/26 primarily to fund the capital programme, the costs of the action plan and capital ambition programme.

9.5 It is estimated that an additional amount of £6.4m is added into the reserves during 2025/26 primarily comprising £2.9m of dividend income from Gateway 14 Ltd, £1m from the revenue budget to create the Pooled Investments Reserve, and the forecast budget surplus for 2025/26 of £2.4m.

9.6 The medium-term reserves forecast includes significant future dividend income from the Council's subsidiary company Gateway 14 Ltd of some £26.4m over the period 2025/26 to 2029/30 as well income arising from the forecast surpluses on the revenue budget for 2024/25 and 2025/26. It is the Council's proposed intention to invest this income into the district by delivering the priorities in the Mid Suffolk Plan. However, these forecasts do need to be treated with some caution: in particular the dividend income forecast comes from the company's current Business Plan, but dependent on future development profits being realised and therefore cannot be guaranteed.

9.7 The Director of Finance and Procurement is proposing a number of changes to the reserves both to reduce their number (this is more efficient for the Finance Team in terms of monitoring and accounting for the reserve) and to aid transparency.

9.8 The key forecast movements and changes, which apart from ii, vi, vii and viii below, will take effect in 2024/25 are detailed as follows:

i. The renaming of the Gateway 14 Dividend Reserve to the "Mid Suffolk Plan Implementation Reserve". This will be the primary reserve for funding priorities within the agreed Mid Suffolk Plan of both a revenue and capital nature. The reserve will also hold the current and future dividend income from Gateway 14 Ltd, the Pot B

Business Rates income from the Freeport, and the surplus or deficit amount on the General Fund revenue budget.

ii. The establishment of a new reserve of £1m for Pooled Investments Reserve to be funded from the revenue budget. The need for this reserve is explained in paragraph 8.7 of this report.

iii. The transfer of the uncommitted balance in the Business Rates and Council Tax Reserve of £5.2m into the Financial Resilience Reserve. The former reserve is uncommitted and was set up to smooth out the surpluses and losses in the revenue budget arising from Business Rates volatility which is effectively the same as a Financial Resilience Reserve. It is far more efficient for monitoring purposes, and also aids transparency, if this is therefore just one earmarked reserve. This reserve is held to help mitigate any revenue budget problems such as loss of funding arising from the reform of local government finance.

iv. The establishment of a Skills and Innovation Centre Reserve to be funded 50:50 from the former Gateway 14 Dividend Reserve and the Thriving Communities Reserve to part fund the capital expenditure of building the facility as agreed by Council at its meeting in December 2023. Again, this is recommended for increasing clarity and transparency as well as ease of monitoring the reserve.

v. The establishment of a Useable Capital Receipts Reserve from receipts already realised as well as anticipated from the proceeds of General Fund assets.

vi. The use of £950k from the Mid Suffolk Plan Implementation Reserve to fund actions to implement the Mid Suffolk Plan in 2025/26. The detail of this is given in Appendix C

vii. The forecast use of £10.4m from the Mid Suffolk Plan Implementation Reserve to fund the Council's capital ambition programme in 2025/26. The detail of this is given in Appendix G.

viii. The forecast use of £4.2m from the Mid Suffolk Implementation Reserve to fund the Council's capital programme in 2025/26.

ix. Moving the funding needed for the Wellbeing programme (£1.721m in total over the medium-term planning period) from the Strategic Priorities Reserve to the Thriving Communities Reserve, due to insufficient reserve balances being available in the former reserve over the medium term to fund this.

x. The proposal to credit revenue budget surpluses into, and to fund forecast budget deficits from, the Mid Suffolk Plan Implementation Reserve.

9.9 The Council also has a General Fund reserve balance of £1.052m on top of the earmarked reserves reported in Appendix C. This is totally uncommitted and acts as a contingency to fund unforeseen costs. There is no statutory minimum level for such a reserve; it is a matter for each local authority's own judgement after taking into consideration the strategic, operational, and financial risks it faces. Many councils set a minimum reserve provision of between 6% to 10% of the Net Services Budget. This Council's General Fund balance is 6% of the Net Services Budget.

10 MEDIUM TERM FINANCIAL PLAN (MTFP)

10.1 Table 10 below shows the forecast summary position for the period 2024/25 to 2029/30. More detail is given in Appendix A. The forecast shows that the financial position going forwards will switch from the Council being in a net surplus position to a net deficit position from 2026/27 onwards. And whilst, as explained below, there is a lot of uncertainty in the forecast, particularly regarding future reforms of the local government funding regime, the likelihood is that savings, increases in income, and/or the use of reserves will need to be identified in the years to come to balance the budget.

Table 10: Forecast gross expenditure and income over period 2024/25 to 2029/30

	Budget 2024/25	Q2 Forecast 2024/25	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	29,902	28,959	30,824	31,414	32,360	33,324	34,252
Gross Income	(34,977)	(35,530)	(33,081)	(31,444)	(31,808)	(32,497)	(33,169)
Adj for Housing Benefit	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Forecast (surplus) / Deficit	**(5,201)**	**(6,698)**	**(2,383)**	**(157)**	**426**	**700**	**957**

10.2 Over the medium-term period gross expenditure is forecast to increase by £4.4m or 16.2% from the 2024/25 approved budget, due to forecast pay awards, staff increments, reallocation of officer time under the shared management arrangements between Babergh District Council to Mid Suffolk, inflationary increases on major contracts, and capital financing charges. Details of the major cost and income assumptions used in the MTFP are shown in Appendix B.

10.3 Income over the same period however is forecast to decrease by £1.926m or 5.5%. These figures are based on the Council increasing Council Tax by 2% per annum from 2026/27 onwards. This does include a significant drop in Business Rates income from the reset and no Government grants from 2026/27, this is worst case scenario and there may be some transitional relief to cover this, but at the moment there has been no indication as to how much this may be.

10.4 The MTFP position does not include the actual dividend income received from Gateway 14 Ltd, nor future estimates of such income, as this is credited to the Mid Suffolk Plan Implementation Reserve to fund the one-off expenditure on the action plan and capital ambition programme.

10.5 The ongoing expenditure needed to fund Council Services is outstripping the Council's recurring income resources from Business Rates, Council Tax, fees & charges, and government grants.

10.6 Increases to Council Tax generate cumulative income as shown in table 11 below. Even at a 2.99% increase per annum, the threshold that central government permits councils to raise Council Tax before a referendum needs to be held, the amounts of additional income raised are not sufficient to match the increases in expenditure nor fund the future forecast budget gaps from 2027/28 onwards.

Table 11: Cumulative additional income with annual Council Tax increases

	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	2029/30 £000's
Additional Council Tax at 1% Increase	75	151	230	310	391
Additional Council Tax at 2% Increase	150	304	464	628	798
Additional Council Tax at 2.99% Increase	224	457	700	954	1,217

10.7 The MTFP incorporates Council tax increases of 2% per annum for 2026/27 through to 2029/30. The forecast deficits arising in 2027/28 onwards would be partially, but not fully, covered if council tax were increased by 2.99% as shown in table 12 below.

Table 12: Effect of 2.9% Council tax increase on forecast deficits

	2027/28 £000's	2028/29 £000's	2029/30 £000's
Additional Council Tax at 2% Increase	464	628	798
Additional Council Tax at 2.99% Increase	700	954	1,217
Difference	(236)	(326)	(419)
Forecast deficit	426	700	957
Remaining deficit	190	374	538

Medium Term Financial Strategy

10.8 To achieve its ambitions, the Council needs to take a medium-term view of budgeting through a robust financial strategy.

10.9 The Council's main strategic financial aim remains to become self-financing i.e., not reliant on Government funding. The Council's parallel aim is to generate more funds than are required purely for core services, to enable additional investment into the district.

10.10 There are 3 key elements that need to be carefully balanced to ensure success, which are:

- Cost management
- Income generation and
- Service levels

10.11 The approach over the medium term is to ensure the Council is an organisation that is thriving and not just surviving, by continuously reviewing, remodelling, and reinventing the way the Council operates. For the Council to thrive, a strong focus is placed on the wellbeing of our staff and residents.

10.12 The following overarching principles are considered when evaluating ideas and opportunities for change:

10.13 Reduce our costs (both internally and across the wider system)

- Increase our income
- Provide better / "best" value
- Increased social value
- Provide a better service for our residents
- Reduction in administration costs, without compromising service

- Reduced climate change and biodiversity impact

10.14 The focus is on:

- internal efficiencies and improvements
- continuously streamlining work and reducing waste in processes
- greater cross-functional working and multi-skilling
- improving ways of working to move away from 'professional silos' and toward integrated services for the public
- resident demand understood, analysed, and met through new services and business models
- demand is re-shaped and managed while engaging service users to ascertain priorities.

10.15 The approach below shows in more detail, for each element, the methodology that has been adopted to achieve this.

10.16 Over the three-year period from 2027/28 the Council's increasing budget deficits must be addressed through delivering further savings and generating additional income. The Council acknowledges that it can still benefit from further work across the organisation to create efficiencies through driving down cost and cutting out work that does not add value. Opportunities exist in terms of improving digitisation and automation of some processes.

10.17 It is likely that additional resources and investment will be required in order to deliver efficiencies and savings in the longer term. The Council will continue this approach to further transform the way it operates over the next three years.

10.18 A further key element of the Strategy is having adequate reserves available to manage any unexpected changes to spending and funding plans. They are a fundamental part of the way the Council manages its business risks and maintains a stable financial position.

Government Uncertainties impacting over the Medium-Term Position

10.19 The Policy Statement and Consultation published on 18 December 2024 confirms that there will be a full package of funding reforms in 2026/27 as expected, and that this will be the start of a multi-year settlement. The funding reforms will build on "the previous Government's" Fair Funding Review, and there will also be a full Business Rates baseline reset.

10.20 The previous Government's Fair Funding Review would have moved funding towards those authorities with high levels of deprivation. In addition, for many shire district authorities, including Mid Suffolk, a full Business Rates baseline reset could lead to significant funding losses. The Policy Statement is careful to note that the Government "will move gradually towards an updated system" and will consult on "possible transitional arrangements".

10.21 There are further changes that the Government intends to make, particularly around simplification and giving authorities greater certainty with their funding allocations over the medium term: the Government has stated that it will simplify the wider local funding landscape, reducing the number of grants and consolidating them into the Local Government Finance Settlement, as well as moving towards a multi-year settlement for local government so local authorities can plan more effectively.

10.22 Other legislative changes intending to be pursued by the Government could have a significant impact on the Council's medium term financial position including the Devolution White Paper published on 16 December 2024, which sets out the Government's agenda for structural reform of local government, and a new Pensions Scheme Bill which will combine the 86 Local Government Pension Schemes (including the Suffolk LGPS) into "megafunds" to drive investment in both the national and local economies.

10.23 Looking ahead, and however the funding system is reformed, the prospects for Local Government finance settlements in the next spending review period look very tight indeed. As discussed in paragraph 5.14 the overall planned increase in Government's Total Managed Expenditure is 1.5% in real terms but that means real-terms cuts for unprotected services, including most of Local Government.

10.24 When forecasting the expected level of Government funding in the MTFP after 2025/26 the following assumptions have been made:

- The Council will receive no Government funding, the Rural Services Delivery Grant and Services Grant are now abolished from 2025/26, and the Minimum Funding Guarantee and New Homes Bonus will also disappear from 2026/27 onwards and we have assumed the same for the Revenue Support Grant (RSG).

- There will be a Business Rates baseline reset. The current baseline was set in 2013, when all councils were given a share of Business Rates equal to their calculated needs. Since then, councils have been allowed to keep a share of their growth. For authorities who have had significant business rate growth and are above their current funding baseline, such as Mid Suffolk, this will have an impact if the baseline is reset as the Council will lose this growth, subject perhaps to any damping arrangements. The assumption in the MTFP, given that no details are yet forthcoming from Government, is that the Council will lose half of the growth achieved since 2013.

10.25 The assumptions listed in the above paragraph result in a loss of resources in 2026/27 of some £3.5m.

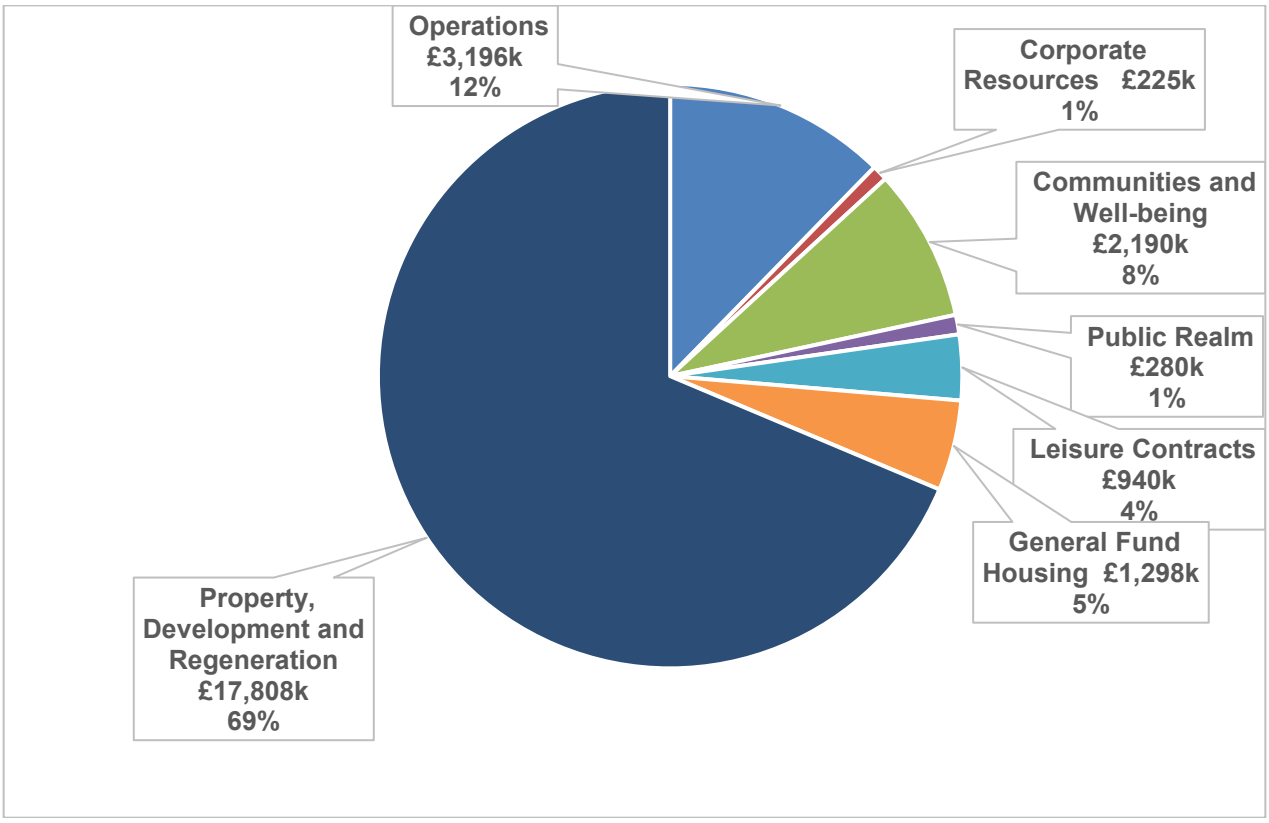
11. CAPITAL PROGRAMME

11.1 The Capital Programme comprises the capital budget and the ambition programme. The latter is a pipeline of future projects largely aimed at delivering the Mid Suffolk Plan that are yet to be fully costed through Business Cases (or in the case of the proposed depot, require a new Business Case) and therefore need further approval by Cabinet before they can start to be committed and spent, and Council approval if the costings are higher than the amounts shown in the programme. The details of the capital budget are found in Appendix F and the capital ambition programme in Appendix G.

Table 13: Capital Programme 2024/25 to 2029/30

	2024/45 Revised Budget	2024/45 Forecast Outturn	2025/26 Proposed budget	2026/27 Proposed budget	2027/28 Proposed budget	2028/29 Proposed budget	2029/30 Proposed budget	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Capital Budget	10,838	7,188	25,937	7,424	4,153	3,653	3,653	52,008
Capital Ambition	0	0	10,400	7,400	3,000	5,500	2,000	28,300
Total	**10,838**	**7,188**	**36,337**	**14,824**	**7,153**	**9,153**	**5,653**	**80,308**

Chart 6: 2025/26 Capital Budget allocated to services



11.2 Schemes added to or increased in the 2025/26 capital budget are:

- Skills & Innovation Centre: the construction phase of this project is now scheduled to start in 2025/26, and the forecast expenditure in 2025/26 has been consequentially reprofiled to £14.6m.

- Simpler Recycling - Twin Stream Recycling Collection: £1.078m. This budget is for the purchase of containers required for the introduction of a twin stream kerbside recycling collection service in 2025/26 (two containers per household [one new and one existing]; one for paper and card, the other for plastics, metal, cartons and glass bottles and jars).

- Simpler Recycling - Food Waste Collections: £1.538m. This scheme is for the purchase of dedicated vehicles and other equipment required for the introduction of a weekly kerbside food waste collection service to all households in the district in 2025/26. The Council has received £1m New burdens funding in 2024/25 towards this cost.

- Stowmarket Leisure Centre Repairs & Renewals: £400k. This budget has been reprofiled from 2024/25.

- Stradbroke Pool Repairs & Renewals: £540k. This budget has also been reprofiled from 2024/25.

- Stowmarket Depot Planned Maintenance: £450k. This represents reconfiguration and planned maintenance works to make good the site pending the delivery of the longer-term new joint depot solution.

11.3 Schemes removed from the 2025/26 capital budget are:

- New Joint Depot: £6m (to go into the capital ambition programme until a new Business Case is written).

- Loans to Mid Suffolk Growth Ltd: the £1.5m budget has been removed following Cabinet decision in July 2024 to not proceed with phase 2 housing development.

- Renovation/Home Repairs Grant: £100k to be removed due to low historic take-up,

- Empty Homes Grant: £100k to be removed due to low historic take-up,

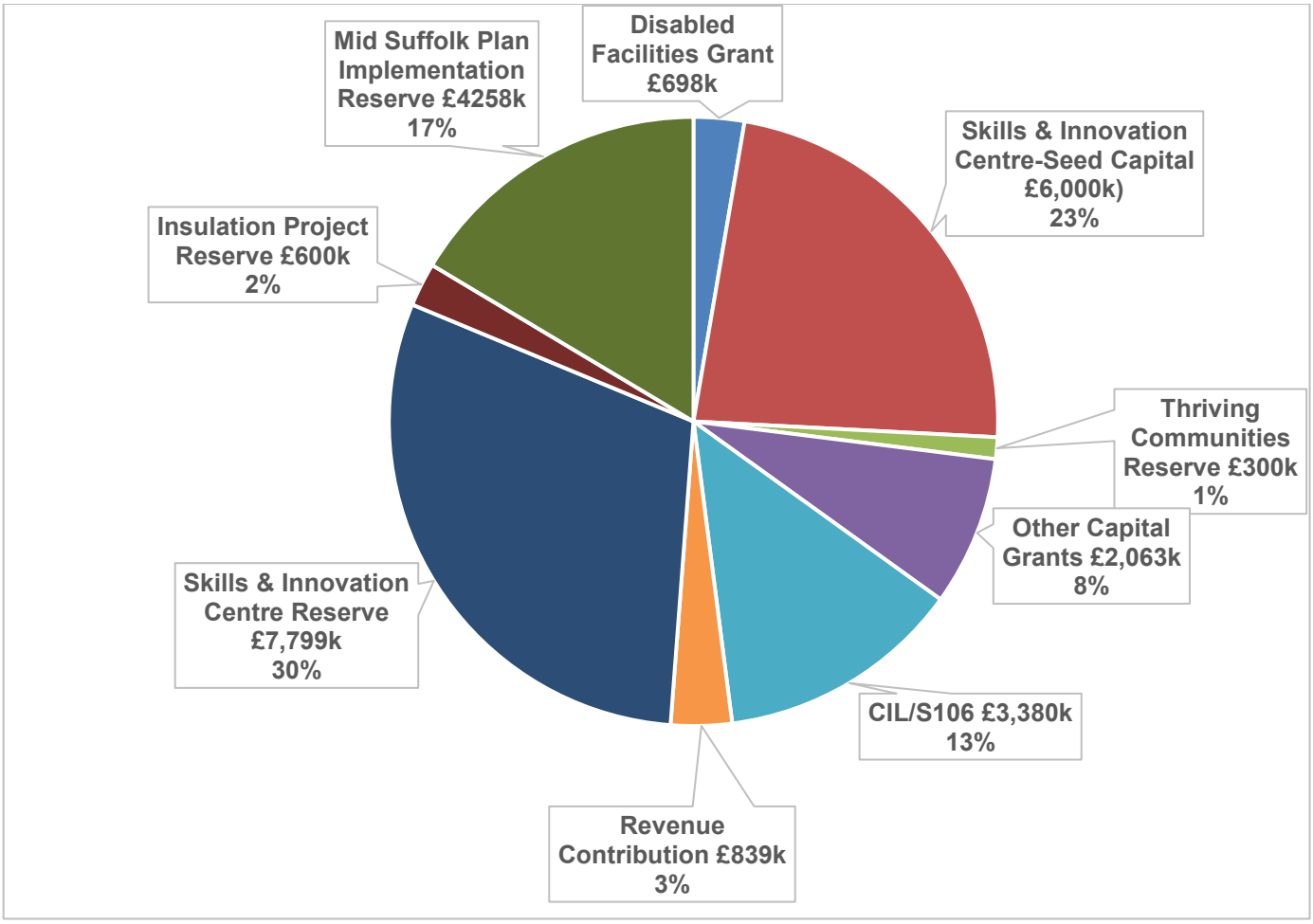
11.4 The financing of the capital budget is shown in the following table and illustrated in chart 7 below. Progress on some elements of this year's capital programme has been slower than planned. Cosy Homes has been re-launched and are due to extend the scope of the scheme.

Table 14: Financing of the Capital Budget

	2024/25 Forecast Outturn	2025/26 Proposed budget	2026/27 Proposed budget	2027/28 Proposed budget	2028/29 Proposed budget	2028/29 Proposed budget	Total
	£000	£000	£000	£000	£000	£000	£000
Borrowing base for MRP	(1,288)	0	0	0	0	0	(1,288)
Disabled Facilities Grant	(739)	(698)	(698)	(698)	(698)	(698)	(4,229)
Skills & Innovation Centre-Seed Capital	0	(6,000)	0	0	0	0	(6,000)
Other Capital Grants	(952)	(2,063)	0	0	0	0	(3,015)
CIL/S106	(1,873)	(3,380)	(2,000)	(2,000)	(2,000)	(2,000)	(13,253)
Skills & Innovation Centre	(1,802)	(7,799)	(153)	0	0	0	(9,754)

	2024/25 Forecast Outturn	2025/26 Proposed budget	2026/27 Proposed budget	2027/28 Proposed budget	2028/29 Proposed budget	2028/29 Proposed budget	Total
	£000	£000	£000	£000	£000	£000	£000
Mid Suffolk Plan Implementation Reserve	(170)	(4,258)	(1,705)	(1,455)	(955)	(955)	(9,498)
Thriving Communities Reserve	(48)	(300)	0	0	0	0	(348)
Insulation Project Reserve	(100)	(600)	(1,300)	0	0	0	(2,000)
Climate Change Reserve	(76)	0	0	0	0	0	(76)
Revenue Contribution	(140)	(839)	(1,568)	0	0	0	(2,547)
Total Financing	**(7,188)**	**(25,937)**	**(7,424)**	**(4,153)**	**(3,653)**	**(3,653)**	**(52,008)**

Chart 7: Financing of the 2025/26 Capital Budget



11.5 As mentioned in section 9 of this report, the capital ambition programme is to be funded from the new Mid Suffolk Plan Implementation Reserve as shown in Appendix E.

12 LINKS TO THE OUR PLAN FOR MID SUFFOLK

12.1 One of the key planks of 'our approach' is ensuring that Mid Suffolk District Council is a financially viable organisation now and for the future. The underlying principle of the Medium-Term Financial Plan is to be financially sustainable. The budget proposals described in this report will help to achieve the priorities set out in Our Plan for Mid Suffolk. Information on this is given in section 4 of the report and in Appendices C (Funding the

Council's Action Plan), F (Capital budget for 2025/26 to 2029/30) and G (Capital Ambition Programme for 2025/26 to 2029/30).

13 FINANCIAL IMPLICATIONS

13.1 These are detailed in the report.

14 LEGAL IMPLICATIONS

14.1 The provisions of the Local Government Finance Act 1992 (LGFA 1992) require the Council to set a balanced budget annually having regard to the advice of its Chief Finance Officer (Section 151) in relation to the level of reserves, the robustness of the estimates, and the risks associated with the budget.

15 RISK MANAGEMENT

15.1 The Section 151 Officer will, as part of the final budget setting paper presented to Cabinet in January, bring forward an assessment of the robustness of budget estimates and reserves to ensure the Council maintains adequate provision given the level of financial risk.

15.2 Key risks are set out below.

Key Risk Description	**Likelihood 1-4**	**Impact 1-4**	**Key Mitigation Measures**	**Risk Register and Reference**
The income, capital and outcome projections for the Councils investment in the Capital Investment Fund (CIFCO) may not be met	2 - unlikely	3 - Bad	Implementation of strong corporate governance. Engagement of independent professional advisers and preparation of annual audited accounts. Business Plan 23/24 approved by Council. Review by Overview and Scrutiny Committee. Council oversight of trading companies' management accounts.	Strategic Risk Register - SRR001
Income, capital and economic outcomes projected for Gateway 14 Ltd may not be delivered	1 – highly unlikely	3 - Bad	Treasury management advice. Business plan 23/24 approved by Holding Co. Repayment of debt. Knowledgeable and experienced Board of Directors. Support from market leading experts. Delivery Partner appointment. Gateway14 Ltd is founding partner of Freeport East.	Strategic Risk Register - SRR002

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
			Council oversight of trading companies' management accounts.	
General Fund: Mid Suffolk District Council may fail to be financially sustainable	2 - unlikely	4 - Disaster	Continued monitoring and reporting of the Councils financial position including actual and reserves. Cabinet briefings to review position and budget options. External value for money audits. Early development of medium-term financial strategy and identification of options	Strategic Risk Register - SRR008MSDC
Mid Suffolk District Council may suffer a significant overspend that needs to be funded from reserves.	2 - probable	2 - Noticeable	Reporting of impacts of inflationary pressure forecast to SLT and early warning cabinet and monitored through the quarterly outturn reports. Review level of reserves with SLT. Quarterly financial monitoring.	Strategic Risk Register - SRR0013MSDC
Mid Suffolk District Council may expose itself to financial risk through its own subsidiary companies and other commercial activities.	3 - probable	2 - Noticeable	Directors representing the Council Shareholders on the board. Non-Exec Directors Management accounts shared with the Council Finance team monthly. Director of Assets and Investments is a Director on each Company Board. Director of Finance is provisioned with Company accounts annually in addition to receiving quarterly financial reporting. Quarterly risk briefing attended by Risk Management Lead. Reserve created to fund Expected Credit Losses.	Strategic Risk Register - SRR0017MSDC
The councils may face significant increases in their borrowing costs.	3 - probable	2 - Noticeable	Significant reserves held to fund if necessary.	Strategic Risk Register - SRR0025MSDC

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
			Regular review of current interest rates and ongoing advice from Arlingclose. Review as part of treasury and investment strategy, and budget setting to ensure further decisions that incur borrowing are affordable.	

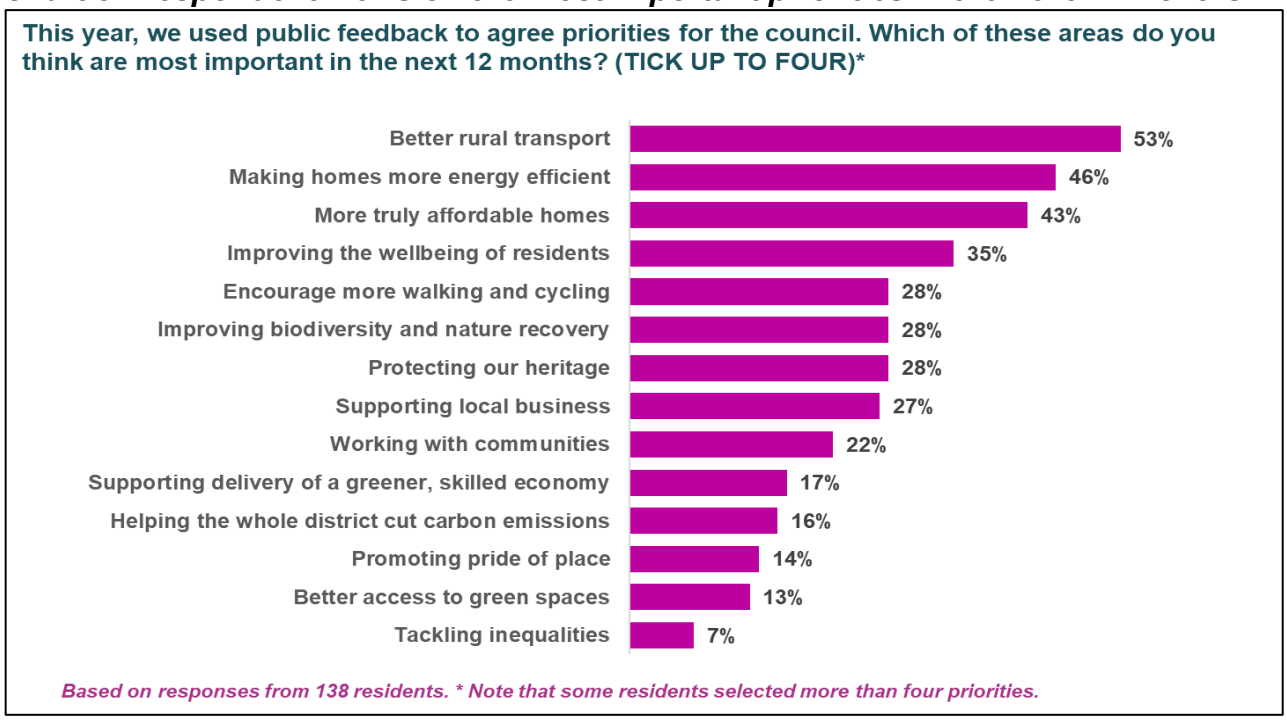
16 CONSULTATIONS

16.1 Between 27th August and 1st November 2024, Councillors from Mid Suffolk District Council held conversations with residents to explore what communities need.

16.2 Resident feedback was captured via a short postcard survey distributed by Councillors and an online version of the survey hosted on Council's resident engagement platform. A total of 138 responses were received.

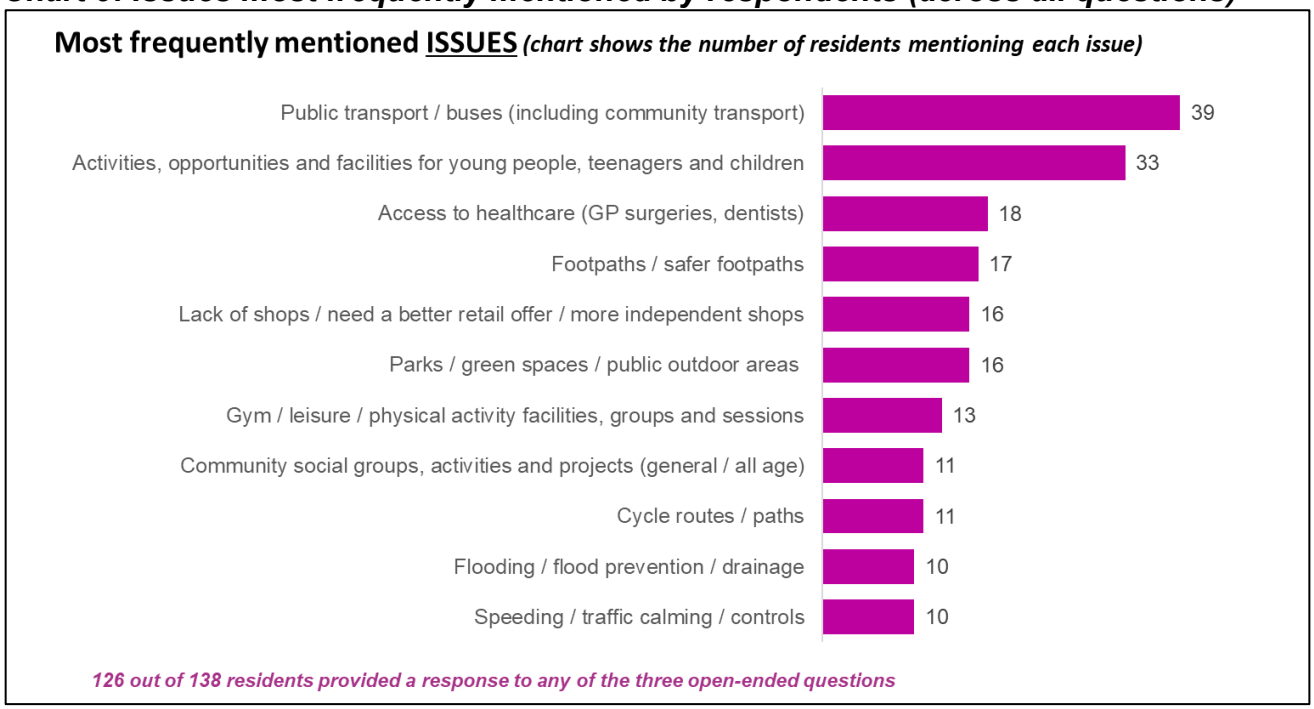
16.3 Respondents were asked about what the Council should invest in to improve their community, via three open-ended questions and a fixed-choice question about which of the Council's priorities are most important in the next 12 months. The priorities identified as most important in the next 12 months were 'better rural transport', 'making homes more energy efficient' and 'more truly affordable homes' (Chart 8).

Chart 8: Respondent views on the most important priorities in the next 12 months



16.4 Responses to the three open-ended questions were thematically coded to enable analysis of the feedback. The most frequently mentioned issues for the Council to invest in or support were public transport/buses, and activities for younger people (including mentions of youth clubs and skate parks). Other commonly mentioned issues included healthcare access, footpaths, shops and green spaces (including parks) (Chart 9) .

Chart 9: Issues most frequently mentioned by respondents (across all questions)



16.5 Mid Suffolk District Council are investing in and delivering several schemes and initiatives related to the range of issues highlighted by respondents. These include:

- **Public transport:** Two new community transport services funded by MSDC's Rural Transport Grants Scheme (the Mid Suffolk Taxi Bus, providing transport services across several fixed routes in central and southern Mid Suffolk, and the Rural Connect community bus service providing demand responsive transport services across northern Mid Suffolk).

- **Home energy efficiency:** Retrofitting MSDC's council housing stock, providing support for schemes to help residents and private landlords in the district improve the energy efficiency of their homes including Mid Suffolk Cosy Homes, and the introduction of an ambitious package of measures to enable owners of traditional and listed buildings to make energy efficiency improvements more easily.

- **Affordable homes:** Stipulating the number of affordable housing to be included within developments through a new Housing SPD (supplementary planning document), delivering new affordable homes in partnership with Registered Providers, and supporting community-led housing projects.

- **Supporting community activities and facilities:** A range of funding and support available to VCFSE organisations, community groups and town and parish councils.

- **Footpaths and cycle routes:** Ongoing delivery of the Local Cycling and Walking Infrastructure Plan, to deliver walking, cycling and public rights of way schemes and improvements.

- **Retail offer:** A raft of new measures to support Stowmarket town centre, designed to help bring empty high street units back into use, improve the town centre environment and street scene, attract visitors and better connect the town.

- **Physical activity:** Delivering new sports facilities in Stowmarket as part of the Stowmarket Health, Education and Leisure Facilities (SHELF) project.

17 EQUALITY ANALYSIS

17.1 An Equality Impact Assessment (EIA) initial screening has been completed. This determined that a full EIA was not required. The budget does not include any proposals that have a differential impact upon protected characteristics under the Equality Act 2010.

18

19 ENVIRONMENTAL IMPLICATIONS

18.1 Directors, Heads of Service and other Budget Managers continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.

18.2 The Council's strategic priorities state that environmental and social responsibilities will be at the heart of all the work the Council undertakes, and the budget underpins this.

18.3 In support of the Council's commitment to be Carbon neutral by 2030, including membership of the UK100, several initiatives have and are being undertaken from a combination of the Council's own resources and those secured from external sources. The portfolio holder for the environment, in consultation with the director for operations and climate change, will develop a funding package to deliver on the priority actions for 2025/26, exploring both council and external funding opportunities.

19 APPENDICES

Title	Location
Gross expenditure and gross income forecasts for 2024/25 to 2029/30	Appendix A
Inflation and other key assumptions made in the 2025/26 budget and MTFP	Appendix B
Funding the Council's Action Plan	Appendix C
Forecast Earmarked Reserves	Appendix D
Detailed Forecast Key Investment Reserves	Appendix E
Capital budget for 2025/26 to 2029/30	Appendix F
Capital Ambition Programme for 2025/26 to 2029/30	Appendix G
Section 25 Report from the S151 Officer	Appendix H
Council Tax Resolution, Taxbase and Precepts for Parishes	Appendix I
Council Tax Support Discretionary Policy 2025/26	Appendix J
Glossary of financial terms used in the Budget Report	Appendix K

20 BACKGROUND DOCUMENTS

MC/23/40 GENERAL FUND BUDGET 2024-2025 AND FOUR-YEAR OUTLOOK
MCa/24/27 FEES AND CHARGES 2025/26

MCa/24/35 GENERAL FUND FINANCIAL MONITORING Q2
MCa/24/33 2025/26 DRAFT GENERAL FUND BUDGET AND MEDIUM-TERM FINANCIAL POSITION (MTFP)
MC/23/32 MID SUFFOLK PLAN
EQIA Screening assessment
Local authority funding reform: objectives and principles - GOV.UK
Provisional local government finance settlement: England, 2025 to 2026 - GOV.UK

21 REPORT AUTHORS

David Feveyear-Ward, Head of Finance
Sean Coulter, Senior Finance Business Partner
Alistair Greer, Senior Finance Business Partner

APPENDIX A:

GROSS EXPENDITURE AND GROSS INCOME FORECASTS FROM 2024/25 TO 2029/30

	Budget 2024/25	Q2 Forecast 2024/25	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	13,698	13,652	15,253	15,216	15,896	16,694	17,534
Premises Expenses	1,337	1,855	1,803	1,836	1,875	1,907	1,942
Supplies & Services	6,717	7,235	7,007	6,860	6,798	6,887	7,093
Transport Expenses	504	546	535	536	551	566	588
Third Party Payments	4,827	4,871	5,076	5,214	5,317	5,423	5,532
Transfers to reserves	149	81	101	102	104	105	107
Capital Financing Charges:							
Interest Payable - CIFCO	396	396	375	353	309	265	221
Interest Payable - Short-Term Borrowings	2,645	1,704	1,619	2,158	2,682	3,038	3,334
Item 8 Debit Recharge to HRA	(1,693)	(2,757)	(2,367)	(2,410)	(2,677)	(2,965)	(3,178)
Minimum Revenue Provision (MRP)	1,324	1,376	1,423	1,550	1,507	1,405	1,080
Gross Expenditure	**29,902**	**28,959**	**30,824**	**31,414**	**32,360**	**33,324**	**34,252**
Grants and Contributions	(1,832)	(1,965)	(1,765)	(1,765)	(1,795)	(1,828)	(1,862)
Sales, Fees & Charges	(4,827)	(5,125)	(5,283)	(5,674)	(6,058)	(6,398)	(6,737)
Rental & Other Income (incl. PV panels)	(1,852)	(2,262)	(2,267)	(2,279)	(2,285)	(2,287)	(2,289)
Transfers from reserves	(2,474)	(2,652)	(2,624)	(2,134)	(1,626)	(1,442)	(1,347)
Funding from Gateway 14 Dividend Reserve							
Recharges	(1,792)	(1,693)	(1,610)	(1,635)	(1,702)	(1,782)	(1,871)
Investment Income:							
Interest Receivable - Pooled Funds	(566)	(458)	(420)	(420)	(420)	(420)	(420)
Interest Receivable - CIFCO	(2,172)	(2,172)	(2,160)	(2,146)	(2,132)	(2,115)	(2,099)
Interest Receivable - Short-Term Investments	(4)	(750)	(178)	(188)	(188)	(188)	(188)
Pooled Investments	0	500	1,000	0	0	0	0
Interest Receivable - Regal Theatre loan	(27)	(27)	(27)	(27)	(27)	(27)	(27)
Item 8 Credit Recharge from HRA	0	302	142	85	88	99	118
Government Grants							
New Homes Bonus	(1,683)	(1,683)	(1,903)	0	0	0	0
Revenue Support Grant (RSG)	(121)	(121)	(157)	0	0	0	0
Services Grant	(14)	(14)	0	0	0	0	0
Employers National Insurance Compensation	0	0	(132)	0	0	0	0
Rural Services Delivery Grant	(588)	(588)	0	0	0	0	0
Funding Guarantee	(346)	(346)	(271)	0	0	0	0
Business Rates							
Baseline Business Rates	(2,935)	(2,935)	(1,222)	(1,314)	(1,339)	(1,364)	(1,390)
Business Rates Pool share of Growth Benefit	(600)	(600)	(788)	0	0	0	0
S31 Business Rates Grant	(3,841)	(3,841)	(3,171)	(4,820)	(4,916)	(5,014)	(5,115)
Removal of Top Slicing	(700)	(700)	(606)	0	0	0	0
Business Rates - Renewable Energy	(647)	(647)	(640)	(640)	(640)	(640)	(640)
Enterprise Zone income	(240)	(38)	(365)	(805)	(884)	(1,000)	(1,000)
B/R Prior Year Deficit/(Surplus)	(396)	(396)	(1,144)	0	0	0	0
Council Tax	(7,320)	(7,320)	(7,490)	(7,685)	(7,885)	(8,091)	(8,302)
Gross Income	**(34,977)**	**(35,530)**	**(33,081)**	**(31,444)**	**(31,808)**	**(32,497)**	**(33,169)**
HB Transfer Payments	9,239	9,239	9,239	9,239	9,239	9,239	9,239
HB Grants and Contributions	(9,366)	(9,366)	(9,366)	(9,366)	(9,366)	(9,366)	(9,366)
Forecast (surplus) / Deficit	**(5,201)**	**(6,698)**	**(2,383)**	**(157)**	**426**	**700**	**957**

APPENDIX B: INFLATION AND OTHER KEY ASSUMPTIONS IN THE 2025/26 BUDGET AND MTFP

Please note that Sales, fees and charges Table 5 refers to the volume and fee increase detailed separately. The figures in Appendix B will show both the volume and fee increase percentage combined – therefore are not inflation only driven.

*A 20% increase in planning is anticipated in 2025/26 where we are forecasting an increase in development in future years in line with governments plans to build 1.5m homes over the next five years.

	25/26 %	26/27 %	27/28 %	28/29 %	29/30 %
Employees					
Annual Pay Award Inflation	3%	3%	3%	3%	3%
Annual Increment Increases Inflation	2%	2%	2%	2%	2%
Employers NI Contribution Rate (above £5,000 threshold)	15%	15%	15%	15%	15%
Employers Pension Contribution Rate	26%	26%	26%	26%	26%
Vacancy Management Factor	3%	3%	3%	3%	3%
Major Contracts					
Domestic Waste Contract	3.5%	2.4%	1.4%	1.4%	1.4%
Garden Waste Contract	3.5%	2%	1%	1%	1%
IT SCC Contract	-2.4%	5%	4%	4%	4%
Shared Revenues Partnership Contract	3%	3%	3%	3%	3%
Trade Waste Contract	5.5%	2%	1%	1%	1%
Supplies & Services - Price inflation - for different types of expenditure					
Insurance Premium Increase	64%	10%	10%	10%	10%
Fees & Charges					
Building Control	11.7%	2.0%	2.0%	2.0%	2.0%
Car Parking	0.4%	-	3.1%	3.1%	3.0%
*Planning & Enforcement	20.0%	27.9%	21.8%	15.4%	12.9%
Electoral Services & Land Charges	-2.6%	-	-	-	-
Housing Solutions	40.6%	-	-	-	-
Licensing	8.4%	-	-	-	-
Public Realm	8.1%	7.3%	3.4%	3.3%	
Recycling, Waste & Fleet	9.5%	2.2%	1.3%	1.2%	1.3%
Strategic Planning	-	-	-	-	-
Capital Financing Charges & Investment Income					
Minimum Revenue Provision - Annuity Rate	5%	5%	5%	5%	5%
Interest payable - short-term borrowing interest rates	4.25%	3.75%	3.75%	3.75%	3.75%
Interest income - short-term investments rates	3.56%	3%	3%	3%	3%
Council Tax					
Council Tax Increase	0%	2%	2%	2%	2%
Council Tax Base Growth	0.6%	0.6%	0.6%	0.6%	0.6%

APPENDIX C: FUNDING THE COUNCIL'S ACTION PLAN

Mid Suffolk Plan		Deliverable	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	TOTAL £000
Community Wellbeing	Addressing inequalities	Cost of living support	25	54	54	54	54	54	**295**
	Enabling greater access to green spaces	Land for public access/open space	35	72	37	0	0	0	**144**
	Enhancing walking and cycling (and other physical activity) opportunities	Sports provision outside of Stowmarket	8	0	0	0	0	0	**8**
		New foot/cycle path in line with LCWIP	0	105	105	0	0	0	**210**
Community Wellbeing Environmental Sustainability	Enabling greater access to green spaces Improving biodiversity and nature recovery	Review of MSDC land (non-housing) for parishes	22	23	0	0	0	0	**45**
Environmental sustainability	Enabling sustainability in the built environment	Embedding a design ethos into planning	18	35	0	0	0	0	**53**
	Supporting and facilitating more community energy production	Solar PV scheme	0	14	0	0	0	0	**14**
	Working to achieve net zero carbon emissions	Reduction in carbon emissions of district	0	3	3	0	0	0	**6**
	Working towards zero waste	Waste minimisation	18	56	58	0	0	0	**132**
Housing and Infrastructure	Ensuring we have more energy efficient and insulated homes	Guidance to residents on energy efficiency and emission reduction	0	60	63	0	0	0	**123**
		ECO hub advice centre	0	40	0	0	0	0	**40**
		Exemplar Housing	50	0	0	0	0	0	**50**
	Increasing the availability of truly affordable homes, reducing homelessness	Supporting residents in need; discretionary Council Tax Support scheme	0	125	125	0	0	0	**250**
Resilience	Building capacity and capability within communities	Increased number of Neighbourhood Plans	9	28	29	0	0	0	**66**
		Delivery of a strategic asset management plan	0	20	0	0	0	0	**20**
	Empowering and enabling more active citizenship Building capacity and capability within our communities Protecting heritage and its cultural significance	Regeneration of Stowmarket in partnership with key stakeholders	0	137	143	0	0	0	**280**
	Ensuring we engage with all our communities	Improved customer access to Council services	33	53	53	53	53	53	**298**
		Customer access point relocation to Stowmarket Library and improved face to face provision	25	125	108	113	119	125	**615**
	Supporting local businesses	Stowmarket Property Initiative	65	0	0	0	0	0	**65**
		Stowmarket hotel	25	0	0	0	0	0	**25**
	Supporting the delivery of a greener, skilled economy	Skills & Innovation Centre, Gateway 14	0	0	62	65	0	0	**127**
Total			**333**	**950**	**840**	**285**	**226**	**232**	**2,866**

APPENDIX C: FUNDING THE COUNCIL'S ACTION PLAN (Cont'd)

Further action plan items intended for the final three years of the medium term if funding allows are:-

Mid Suffolk Plan		Deliverable	2027 /28	2028 /29	2029 /30	TOTAL
			£000	£000	£000	£000
Community wellbeing	Enhancing walking and cycling (and other physical activity) opportunities	New foot/cycle path in line with LCWIP	105	105	105	**315**
Environmental sustainability	Working to achieve net zero carbon emissions	Reduction in carbon emissions of district	3	3	3	**9**
	Working towards zero waste	Waste minimisation	60	63	64	**187**
Housing and Infrastructure	Ensuring we have more energy efficient and insulated homes	Guidance to residents on energy efficiency and emission reduction	66	69	73	**208**
	Increasing the availability of truly affordable homes, reducing homelessness	Supporting residents in need; discretionary Council Tax Support scheme	125	125	125	**375**
Resilience	Building capacity and capability within communities	Increased number of Neighbourhood Plans	30	31	0	**61**
	Empowering and enabling more active citizenship Building capacity and capability within our communities Protecting heritage and its cultural significance	Regeneration of Stowmarket in partnership with key stakeholders	151	158	166	**475**
Total			**540**	**554**	**536**	**1,630**

APPENDIX D: FORECAST EARMARKED RESERVES

Reserve	Forecast Balance as at 31/03/25	Movements between reserves 2025-26	Movement from Reserve 2025-26	Movement to Reserve 2025-26	Balance as at 31/03/26	Movement to/from Reserve 2026-27	Balance as at 31/03/27	Movement to/from Reserve 2027-28	Balance as at 31/03/28	Movement to/from Reserve 2028-29	Balance as at 31/03/29	Movement to/from Reserve 2029-30	Balance as at 31/03/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FINANCIAL RESILIENCE & RISK RESERVES													
Business Rates & Council Tax	5,452	(5,452)			0		0		0		0		0
COVID 19	1,025		(5)		1,019	0	1,019		1,019	0	1,019	0	1,019
Expected Credit Loss Reserve	(0)				(0)	0	(0)		(0)	0	(0)	0	(0)
Pooled Investments (Loss in Value) Reserve	-			1,000	1,000		1,000		1,000		1,000		1,000
Financial Resilience Reserve	1,538	5,452			6,990		6,990		6,990		6,990		6,990
	8,015	**0**	**(5)**	**1,000**	**9,009**	**0**	**9,009**	**0**	**9,009**	**0**	**9,009**	**0**	**9,009**
OPERATIONAL/SERVICE DELIVERY RESERVES													
Business Rates Retention Pilot (BRRP)	454		(22)		431	(4)	428		428		428		428
Community Housing Fund	107		(5)		102	(5)	97	(5)	93	(5)	88	(5)	83
Commuted Maintenance Payments	403		(183)		220	(198)	22	(22)	0	0	0	0	0
Elections Equipment	24				24		24		24		24		24
Elections Fund	60			45	105	46	151	48	199	49	248	50	298
Climate Change and Biodiversity	550			5	554	5	559	5	564	5	569	6	575
Government Grants	320				320		320		320		320		320
Homelessness	206				206		206		206		206		206
Neighbourhood Planning Grants	4				4	0	4	0	4	0	4	0	4
Planning (Legal)	1,122		(148)	31	1,122	(118)	1,004	(110)	894	(191)	703	(161)	542
Planning Enforcement	45				45		45		45		45		45
Repair & Renewals	293				293		293		293		293		293
Rough Sleepers	26				26		26		26		26		26
Strategic Planning	358				358	0	358	0	358	0	358		358
Temporary Accommodation	10			20	30	20	50	20	70	20	90	20	110
Welfare Benefits Reform	7				7		7		7		7		7
	3,987	**0**	**(357)**	**101**	**3,847**	**(254)**	**3,593**	**(64)**	**3,529**	**(121)**	**3,408**	**(90)**	**3,318**
INVESTING IN THE DISTRICT													
Insulation Project Reserve (Cosy Homes)	1,900		(600)		1,300	(1,300)	0		0		0		0
Useable Capital Receipts Reserve	1,600				1,600	0	1,600		1,600		1,600		1,600
Mid Suffolk Plan Implementation Reserve	19,105		(15,775)	5,283	8,613	400	9,013	1,878	10,891	(322)	10,569	1,789	12,358
Thriving Communities Fund	4,256		(883)	0	3,374	(433)	2,941	(313)	2,629	(193)	2,436	(73)	2,364
Skills & Innovation Centre Reserve	7,953		(7,799)	0	153	(153)	(0)	0	(0)	0	(0)	0	(0)
Strategic Priorities	2,788		(843)	0	1,945	(501)	1,444	(340)	1,104	(340)	764	(340)	424
	37,602	**0**	**(25,900)**	**5,283**	**16,985**	**(1,987)**	**14,998**	**1,225**	**16,224**	**(855)**	**15,369**	**1,376**	**16,745**
Total Earmarked Reserve Balance	**49,603**	**0**	**(26,262)**	**6,384**	**29,841**	**(2,241)**	**27,601**	**1,161**	**28,762**	**(976)**	**27,786**	**1,287**	**29,072**

APPENDIX E: DETAILED FORECAST POSITION FOR THE KEY INVESTMENT RESERVES

Reserve	Comments	Movement (from) / to Reserve 24/25 £000's	Movement (from) / to Reserve 25/26 £000's	Movement (from) / to Reserve 26/27 £000's	Movement (from) / to Reserve 27/28 £000's	Movement (from) / to Reserve 28/29 £000's	Movement (from) / to Reserve 29/30 £000's
	Opening Balance	**0**	**19,105**	**8,613**	**9,013**	**10,891**	**10,569**
Mid Suffolk Plan Implementation Reserve	Dividend from Gateway 14 Ltd	20,000	2,900	9,900	5,000	5,000	3,600
	To Fund Capital Ambition Programme	0	(10,400)	(7,400)	(3,000)	(5,500)	(2,000)
	To Fund Capital budget	(170)	(4,258)	(1,417)	(1,152)	(955)	(955)
	In Year Surplus / (Deficit)	6,698	2,383	157	(426)	(637)	(620)
	Replenishment of Reserve From Pot B	0	0	0	1,740	1,996	1,996
	To Fund Action Plan	(333)	(950)	(840)	(285)	(226)	(232)
	Feasibility study for hotel in Stowmarket	(16)	0	0	0	0	0
	Grants to improve the visible appearance of built properties in Stowmarket	(400)	0	0	0	0	0
	REACT Public Realm Improvements - revenue spend	(53)	(167)	0	0	0	0
	Stowmarket Town Centre Gateway Fund	(1,500)	0	0	0	0	0
	Support for smaller projects in Stowmarket town centre	(50)	0	0	0	0	0
	To fund the Skills & Innovation Centre capital project	(4,841)	0	0	0	0	0
	To fund Stowmarket Wayfinder Project	(230)	0	0	0	0	0
	Closing Balance	**19,105**	**8,613**	**9,013**	**10,891**	**10,569**	**12,358**

	Opening Balance	**3,677**	**2,788**	**1,945**	**1,444**	**1,104**	**764**
Strategic Priorities	To fund Finance Interims	(94)	0	0	0	0	0
	Funding for apprentice posts and project manager	(52)	(40)	0	0	0	0
	Locality Funding	(250)	(340)	(340)	(340)	(340)	(340)
	DLU Lighter Touch Neighbourhood Planning - Strategic Priorities	(8)	0	0	0	0	0
	Strategic Priorities	0	(21)	(11)	0	0	0
	Development Management Roles Extension	(13)	0	0	0	0	0
	Sustainable Travel	(30)	(16)	0	0	0	0
	Funding for Innovate Local costs	(50)	0	0	0	0	0
	Town Centres & Wayfinding Projects -Capital	0	0	0	0	0	0
	Town Centres & Wayfinding Projects	(59)	0	0	0	0	0
	Funding for Feasibility & Survey for Skills & Innovation Centre	(21)	0	0	0	0	0
	Funding for Senior Housing Post	(66)	(0)	(0)	(0)	(0)	(0)
	Fixed Term Posts in Strategic Priority Projects in Housing	(247)	(425)	(150)	0	0	0
	Closing Balance	**2,788**	**1,945**	**1,444**	**1,104**	**764**	**424**

APPENDIX E: …Cont.

	Opening Balance	**10,426**	**4,256**	**3,374**	**2,941**	**2,629**	**2,436**
Thriving Communities Fund	Business Innovation Grants	(5)	0	0	0	0	0
	Grants for Electric Bus Scheme / Service Contract for Design Engineer	(685)	(75)	0	0	0	0
	Local Cycling & Walking Infrastructure	(75)	(75)	0	0	0	0
	To fund additional Council Tax Support	(125)	0	0	0	0	0
	To fund Skills & innovation Centre	(4,841)	0	0			
	To fund Stowmarket Ranger Service	(50)	0	0	0	0	0
	SHELF Phase 1	(80)	(300)				
	Business Hub Cross Street Eye	(27)	0				
	Contain Outbreak Management Fund Remainder	(6)	0	0	0	0	0
	Strategic Priorities - Wellbeing	(276)	(433)	(433)	(313)	(193)	(73)
	Closing Balance	**4,256**	**3,374**	**2,941**	**2,629**	**2,436**	**2,364**

	Opening Balance	**0**	**8,141**	**616**	**463**	**463**	**463**
Skills & Innovation Centre Reserve	Funding of Capital Project	(1,541)	(7,525)	(153)	0	0	0
	Transfer From/(To) Gateway 14 & Thriving Communities Reserve	9,682	0	0	0	0	0
	Closing Balance	**8,141**	**616**	**463**	**463**	**463**	**463**

APPENDIX F: CAPITAL BUDGET 2024/25 TO 2029/30

Capital Budget	2024/25 Revised Budget	2024/25 Forecast Outturn	2025/26 Proposed Budget	2026/27 Proposed Budget	2027/28 Proposed Budget	2028/29 Proposed Budget	2029/30 Proposed Budget	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing								
Mandatory Disabled Facilities Grant	888	739	698	698	698	698	698	4,229
Renovation/Home Repair Grants	173	120	0	0	0	0	0	120
Empty Homes Grant	540	32	0	0	0	0	0	32
Grants for Affordable Housing	340	0	0	0	0	0	0	0
Cosy Homes Scheme	100	100	600	1,300	0	0	0	2,000
Total General Fund Housing	**2,041**	**991**	**1,298**	**1,998**	**698**	**698**	**698**	**6,381**
Operations								
Replacement Refuse Freighters	463	0	420	210	210	210	210	1,260
Simpler Recycling-Twin Stream	0	0	1,078	0	0	0	0	1,078
Simpler Recycling - Food Waste	0	0	1,538	0	0	0	0	1,538
Bins	155	207	160	160	160	160	160	1,007
Total Operations	**618**	**207**	**3,196**	**370**	**370**	**370**	**370**	**4,883**
Climate Change								
EV Charging Points in Car Parks	76	76	0	0	0	0	0	76
Total Climate Change	**76**	**76**	**0**	**0**	**0**	**0**	**0**	**76**

APPENDIX F: CAPITAL BUDGET 2024/25 TO 2029/30 (cont'd)

Capital Budget	2024/25 Revised Budget	2024/25 Forecast Outturn	2025/26 Proposed Budget	2026/27 Proposed Budget	2027/28 Proposed Budget	2028/29 Proposed Budget	2029/30 Proposed Budget	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Public Realm								
Street care - Vehicles and Plant Renewals	79	79	90	90	90	90	90	529
Car Parks - Planned Maintenance	272	10	40	40	40	40	40	210
Parking Strategy Implementation	115	5	0	0	0	0	0	5
Needham Lake Footpath - Planned Maintenance	78	23	15	15	15	15	15	98
Public Realm Enhancements	45	45	85	0	0	0	0	130
Licencing-Verso software	30	9	0	0	0	0	0	9
Play equipment	235	207	50	50	50	50	50	457
Total Public Realm	**854**	**378**	**280**	**195**	**195**	**195**	**195**	**1,438**
Communities and Well-being								
Community Development Grants	149	200	190	190	190	190	190	1,150
CIL Funded Infrastructure Grants	950	782	2,000	2,000	2,000	2,000	2,000	10,782
Local Cycling & Walking Infrastructure Plan (LCWIP) Scheme Development	75	0	0	0	0	0	0	0
S106 Open Spaces Expenditure	500	500	0	0	0	0	0	500
S106 Health Expenditure	120	120	0	0	0	0	0	120
S106 Affordable Housing Expenditure	410	410	0	0	0	0	0	410
Total Communities and Well-being	**2,204**	**2,012**	**2,190**	**2,190**	**2,190**	**2,190**	**2,190**	**12,962**

APPENDIX F: CAPITAL BUDGET 2024/25 TO 2029/30 (cont'd)

Capital Budget	2024/25 Revised Budget	2024/25 Forecast Outturn	2025/26 Proposed Budget	2026/27 Proposed Budget	2027/28 Proposed Budget	2028/29 Proposed Budget	2029/30 Proposed Budget	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Leisure Contracts								
Stowmarket Leisure Centre - Repairs & Renewals	5	50	400	500	500	0	0	1,450
Stowmarket Leisure Centre - Pool Covers	180	180	0	0	0	0	0	180
Stradbroke Pool - Repairs & Renewals	20	40	540	0	0	0	0	580
Total Leisure Contracts	**205**	**270**	**940**	**500**	**500**	**0**	**0**	**2,210**
Property, Development and Regeneration								
Gateway 14 Ltd - Skills and Innovation Centre	1,812	1,942	14,638	1,721	0	0	0	18,301
Strategic Investment Fund	1,000	178	0	0	0	0	0	178
Stowmarket Health, Education & Leisure Facility (SHELF)-phase 1	80	84	2,670	0	0	0	0	2,754
Creeting Road Depot-maintenance & configuration	0	0	450	250	0	0	0	700
Corp Buildings-Planned Maintenance	248	0	30	30	30	30	30	150
Business Hub Cross Street, Eye	27	27	0	0	0	0	0	27
Stowmarket Initiative - Wayfinding Project	230	75	0	0	0	0	0	75
Wingfield Barns	44	44	20	20	20	20	20	144
Shared Prosperity Fund	150	150	0	0	0	0	0	150
Strategic Assets		11	0	0	0	0	0	11
Rural England Prosperity Funding	620	620	0	0	0	0	0	620
Stowmarket Initiative - improve appearance of buildings	400	50	0	0	0	0	0	50
Total Property, Development and Regeneration	**4,611**	**3,181**	**17,808**	**2,021**	**50**	**50**	**50**	**23,160**

APPENDIX F: CAPITAL BUDGET 2024/25 TO 2029/30 (cont'd)

Capital Budget	2024/25 Revised Budget	2024/25 Forecast Outturn	2025/26 Proposed Budget	2026/27 Proposed Budget	2027/28 Proposed Budget	2028/29 Proposed Budget	2029/30 Proposed Budget	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Resources								
ICT-Hardware/Software Refresh	170	14	225	150	150	150	150	839
Total Corporate Resources	**170**	**14**	**225**	**150**	**150**	**150**	**150**	**839**
Finance & Procurement								
New Finance Management System	59	59	0	0	0	0	0	59
Total Finance & Procurement	**59**	**59**	**0**	**0**	**0**	**0**	**0**	**59**
Total Capital Budget	**10,838**	**7,188**	**25,937**	**7,424**	**4,153**	**3,653**	**3,653**	**52,008**

Financing	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing Base for MRP	(4,715)	(1,288)	0	0	0	0	0	(1,288)
Capital Receipts – CIFCO Loan Repayment	(258)	(261)	(274)	(288)	(303)	(318)	(335)	(1,779)
Disabled Facilities Grant	(888)	(739)	(698)	(698)	(698)	(698)	(698)	(4,229)
Skills & Innovation Centre-Seed Capital	0	0	(6,000)	0	0	0	0	(6,000)
Other Capital Grants	(986)	(952)	(2,063)	0	0	0	0	(3,015)
CIL/S106	(2,041)	(1,873)	(3,380)	(2,000)	(2,000)	(2,000)	(2,000)	(13,253)
Skills & Innovation Centre Reserve	(930)	(1,541)	(7,525)	(153)	0	0	0	(9,219)
Mid Suffolk Plan Implementation Reserve	(675)	(170)	(4,258)	(1,417)	(1,152)	(637)	(620)	(8,254)
Thriving Communities Reserve	(119)	(48)	(300)	0	0	0	0	(348)
Insulation Project Reserve	(100)	(100)	(600)	(1,300)	0	0	0	(2,000)
Climate Change Reserves	(43)	(76)	0	0	0	0	0	(76)
Revenue Contribution	(83)	(140)	(839)	(1,568)	0	0	0	(2,547)
Total Financing	**(10,838)**	**(7,188)**	**(25,937)**	**(7,424)**	**(4,153)**	**(3,653)**	**(3,653)**	**(52,008)**

APPENDIX G: CAPITAL AMBITION PROGRAMME 2024/25 TO 2029/30

Capital Ambition Programme	Revised Budget	2024/25 Forecast Outturn	2025/26 Proposed Budget	2026/27 Proposed Budget	2027/28 Proposed Budget	2028/29 Proposed Budget	2029/30 Proposed Budget	Total
	£'000	0	£'000	£'000	£'000	£'000	£'000	£'000
ECO hub advice centre	0	0	150	150	0	0	0	300
Exemplar Housing	0	0	2,100	2,100	0	0	0	4,200
Food Museum	0	0	1,000	0	0	0	0	1,000
Possible transfer HRA land to GF	0	0	3,000	0	0	0	0	3,000
Land for biodiversity / public access / flood resilience	0	0	340	340	0	0	0	680
New foot/cycle path in line with Local Cycling & Walking Infrastructure Plan (LCWIP)	0	0	250	250	0	0	0	500
New joint depot	0	0	0	500	2,000	3,500	0	6,000
Regeneration in towns outside Stowmarket	0	0	300	300	0	0	0	600
Solar for Business	0	0	10	10	0	0	0	20
Stowmarket Health, Education & Leisure Facility (SHELF)-phase 2	0	0	0	0	1,000	2,000	2,000	5,000
Sports provision outside of Stowmarket	0	0	750	750	0	0	0	1,500
Support for hotel/heritage building	0	0	500	0	0	0	0	500
Temporary accommodation	0	0	2,000	3,000	0	0	0	5,000
Total Capital Ambition Programme	**0**	**0**	**10,400**	**7,400**	**3,000**	**5,500**	**2,000**	**28,300**
Total Capital Budget and Capital Ambition Programme	**10,838**	**7,188**	**36,337**	**14,824**	**7,153**	**9,153**	**5,653**	**80,308**

APPENDIX G: CAPITAL AMBITION PROGRAMME

Further capital ambition items intended for the final three years of the medium term if funding allows are:-

Capital Ambition Programme	2027/28 Proposed Budget	2028/29 Proposed Budget	2029/30 Proposed Budget	Total
	£'000	£'000	£'000	£'000
ECO hub advice centre	150	150	150	450
Land for biodiversity and public access	500	500	0	1,000
New foot/cycle path in line with Local Cycling & Walking Infrastructure Plan (LCWIP)	1,000	1,000	1,000	3,000
Regeneration in towns outside Stowmarket	500	500	500	1,500
Rent a Roof	250	0	0	250
Sports provision outside of Stowmarket	1,666	0	0	1,666
Total Capital Ambition Programme	**4,066**	**2,150**	**1,650**	**7,866**

APPENDIX H: SECTION 25 REPORT FROM THE S151 OFFICER

1. Background

1.1 Section 25 of the Local Government Act 2003 requires Councils, when setting its annual General Fund budget and level of council tax, to take account of a report from its Section 151 Officer on the robustness of estimates and adequacy of reserves. This report fulfils that requirement for the setting of the budget and council tax for 2025/26. This advice will be presented to Council on 27 February 2025.

1.2 This is to ensure that when deciding on its budget for a financial year, Members are made aware of any issues of risk and uncertainty, or any other concerns by the Chief Financial Officer (CFO). The local authority is also expected to ensure that its budget provides for a prudent level of reserves to be maintained.

1.3 Section 26 of the Act empowers the Secretary of State to set a minimum level of reserves for which a local authority must provide in setting its budget. Section 26 would only be invoked as a fallback in circumstances in which a local authority does not act prudently, disregards the advice of its CFO and is heading for financial difficulty. The Section 151 Officer and Members, therefore, have a responsibility to ensure in considering the budget that:

- It is realistic and achievable and that appropriate arrangements have been adopted in formulating it.
- It is based on clearly understood and sound assumptions and links to the delivery of the Council's strategic priorities.
- It includes an appropriate statement on the use of reserves and the adequacy of these.

2 Basis of Advice for Section 25 Report

2.1 In forming the advice for this year's Section 25 report, the CFO has considered the following:

a) The role of the Chief Finance Officer
b) The effectiveness of financial controls
c) The effectiveness of budget planning and budget management
d) The adequacy of insurance and risk management
e) The mitigation of strategic financial risks
f) The Capital Programme
g) Adequacy of Reserves

<u>Role of the Chief Finance Officer</u>

2.2 The statutory role of the Chief Finance Officer in relation to financial administration and stewardship of the Council, and its role in the organisation are both key to ensuring that financial discipline is maintained.

2.3 The statutory duties of the Chief Finance Officer are set out in the Financial Regulations which form part of the Council's Constitution. These include the

requirement to report to council if there is an unbalanced budget (under Section 114 of the Local Government Act 1988).

2.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) published a Statement on the Role of the Chief Financial Officer (CFO) in Local Government. The Statement requires that in order to meet best practice the CFO:

a) is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;

b) must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and

c) must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

d) must lead and direct a finance function that is resourced to be fit for purpose; and

e) must be professionally qualified and suitably experienced.

f) The CIPFA Financial Management Code came into effect from the 1st April 2021, the code complements the Statement on the Role of the Chief Financial Officer, including a set of financial management standards that the Council is complying with. The standards emphasise how financial management is a collective responsibility of the Council's Corporate Leadership Team, acting alongside the CFO, stating that "it is for the leadership team to ensure that the authority's governance arrangements and style of financial management promote financial sustainability. These standards have been considered in drafting this statement.

CIPFA Financial Resilience Index

2.5 CIPFA's Financial Resilience Index, made publicly available for the first time in 2019, aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA's own scoring, ranking or opinion on the financial resilience of an authority. However, users of the index can undertake comparator analysis drawing their own conclusions. The tool is based on a series of indicators relating to the sustainability of reserves, external debt, fees and charges and income from local taxation (business rates and council tax).

2.6 The 2023 index, which provides the relative position for the 2023/24 financial year, is the most up to date index currently available. Councils' performance is ranked relative to those in the selected 'comparator group'.

2.7 The CIPFA indicators of financial stress are;

- Level of reserves
- Change in reserves
- Interest Payable/Net Revenue Expenditure

- Gross External Debt
- Fees & charges to Service Expenditure ratio
- Council Tax Requirement/Net Revenue Expenditure
- Business Rates Growth above baseline

2.8 Mid Suffolk's level of reserves covers the net revenue expenditure fourteen times over, however this does include the HRA reserves, capital grants and capital receipts. If you look purely at the General Fund reserves this equates to 274% of net revenue expenditure in 2023/24. In comparison to our nearest neighbour group according to CIPFA, this places Mid Suffolk as very low risk.

2.9 The change in reserves over the past three years indicator shows that Mid Suffolk's reserves have increased by 30%. This puts Mid Suffolk as one of the four authorities in the nearest neighbour group of 13 who have increased their reserves rather than reducing them.

2.10 The interest payable ratio for Mid Suffolk at 54% of Net Revenue Expenditure this is higher than the nearest neighbour comparisons, with the highest being 19.6%. However, 74% of the Councils interest payable relates to the HRA which is ringfenced, so this is misleading. If we exclude the HRA interest, this ratio for General fund interest is 14%. Similarly, the level of debt (£120.6m) is seen as high risk compared to the nearest neighbours however 60% (£73m) of this relates to the HRA PWLB debt which was entered into a part of the self-financing regime in 2012. Of course, the level of debt and associated finance costs for the HRA should not be ignored but it needs to be balanced against the value of the housing stock on the Councils balance sheet (£274m).

2.11 The other elements are all linked to the investment that the Council has made in CIFCO by increasing General Fund debt levels, higher interest payments, but also higher investment income coming back to the Council and is secured by charges on the properties acquired by CIFCO.

2.12 The fees and charges to Service expenditure for Mid Suffolk is 32%, which makes it the highest in the group of nearest neighbours. The higher the ratio, the lower the risk, a greater amount in fees/charges will make councils more resilient as they have more control over budgets.

2.13 Mid Suffolk's council tax requirement to net revenue expenditure is 62%, which is in the middle of the group, with the highest being 138.04% and the lowest 36.8%. This means that it needs to generate the other 38% through business rates, fees and charges and for 2023/24 was not reliant on Government funding to cover the costs of delivering services.

2.14 Mid Suffolk's business rate growth above baseline is 110% putting it at a high risk in CIPFAs view, with the highest being 131.37% and the lowest 16.98%. This is of particular importance when faced with a baseline reset as this is the amount of growth that is at risk of being redistributed across the system. This is why within the MTFP we are predicting a 50% drop in income from business rates from 2026/27 when the reset is likely to happen.

Financial Management

2.15 Alongside the statutory role of the CFO the Council has in place a number of financial management policies and financial controls which are set out in the Financial Regulations.

2.16 Other safeguards which ensure that the Council does not over-commit financially include:

a) the statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment;

b) the balanced budget requirement of the Local Government Finance Act 1992 (Sections 32, 43 and 93); and

c) the auditors' consideration of whether the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the value for money conclusion).

2.17 The Council's statement of accounts for 2020/21 to 2022/23 were presented to Joint Audit and Standards committee in December 2024 and a disclaimed opinion issued by the Councils auditors EY on those accounts. The 2023/24 statement of accounts will undergo the same process on 24 February 2025. This does place some uncertainty on the accuracy of balances carried forward and the level of reserves reported.

2.18 This is in response to the Governments proposals to clear the backlog in local audit and put the local audit system on a sustainable footing. The disclaimer of the Council's 2022/23 accounts will impact both the audit procedures to be undertaken to gain assurance on the 2023/24 financial statements and the form of the Audit Report in 2023/24 and subsequent years during the 'Recovery phase' of the Government's proposals.

2.19 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the "Annual Governance Statement".

2.20 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily. This is backed up by the review processes of Cabinet and the Joint Audit and Standards Committee undertaking the role of the Council's Audit Committee.

2.21 The value for money conclusion for Mid Suffolk issued by EY reported the following:

- Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services - no significant weakness identified.

- Governance: How the Council ensures that it makes informed decisions and properly manages its risks - significant weakness identified that the Council is to put proper arrangements in place to ensure that its Statement of Accounts is prepared in a timely manner and that the Council meets its statutory reporting requirements by the deadlines.

- Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services -significant weakness identified. The Council is to put proper arrangements in place to ensure robust oversight of Contract Management Processes and to implement clear and effective strategies, policies and procedures to ensure compliance with procurement-related laws and regulations.

2.22 Work is underway to address the actions recommended in the value for money conclusion and will be fully implemented in 2025/26.

Budget Setting

2.23 The 2025/26 budget setting commenced early in 2024 working with the Cabinet to ensure the budget was aligned to delivering their ambitions and linked to the corporate priorities.

2.24 The budget process is rigorous, with all key drivers identified and scrutinised to ensure they are understood and relevant. Cabinet and Overview and scrutiny have provided robust challenge of the budget proposals and assumptions.

2.25 Detailed scrutiny, review and challenge of budgets has been undertaken by finance officers and the Senior Leadership Team

2.26 Cost pressures and variations in key areas of income and expenditure have been carefully considered and reflected in the budget.

2.27 The Council has used the advice of expert external advisors in areas of key materiality and / or complexity including interest rate and inflationary forecasts.

2.28 The Medium-Term Financial planning process is designed to ensure that the Council is able to set balanced budgets in the short and medium term, i.e. that planned expenditure is affordable. The current forecast is based on a pessimistic perspective of no future Government funding and a significant drop in Business rates income.

2.29 The Medium-term financial strategy in Section 11 sets out the approach the Council will take in order to address this situation and to remain financially sustainable.

Budget Management

2.30 A key factor in effective budget management is the Council's regular monitoring of spending against budgets throughout the year and at year-end. Budget managers are required to update their forecasts during the year, and these are subject to review by the Senior Leadership Team and Cabinet on a quarterly basis. The development of budget managers and initiatives to strengthen budgetary control and financial management throughout the Council is an ongoing process.

2.31 The drivers behind material variances are discussed and understood, with mitigating actions taken where necessary to ensure overall Council expenditure remains within the overall budget envelope.

2.32 Key checks and balances, including reconciliations to all key systems and bank accounts, are undertaken throughout the financial year to give assurance that the financial information is accurate.

2.33 Future improvements will include regular updates to the MTFP forecasts reflecting the latest financial information and long-term cash flow projections to manage the Councils debt and cash positions.

Adequacy of Insurance and Risk Management

2.34 The Council's insurance arrangements are in the form of external insurance premiums with regular reviews being undertaken of the level at which risks are insured. A new Insurance Officer will be recruited to the finance team to help manage the Councils insurance arrangements and provide robust reporting to the Senior Leadership team.

2.35 A critical area where risk management thinking can add significant value is to enhance the planning and budgeting process. Utilising a risk-based approach directly links to the Council's risk appetite to its core financial and economic performance, supported by the Council's Strategic Risk Register. The goal when integrating risk management into budget planning is to understand the assumptions that the budget is based on.

2.36 The effective application of the Council's risk management principles enhances many processes within the context of managing its services and enables management to make better and more informed decision.

2.37 The Director of Finance and Procurement meets regularly to discuss strategic risks with Finance Cabinet Members, as well as regular review and oversight by the Senior Leadership team and Cabinet.

2.38 Our approach is to identify the major line items of each service budget, the personnel who contributed to them and the basis of estimation and then to ask key questions such as:

- What are the potential risks that could interfere with the accuracy of the estimate?
- What is the likelihood of these risks materialising?
- What would the impact on the organisation be if they did materialise?

Mitigation of Strategic Financial Risk

2.39 No budget can be completely free from risk, and some of the assumptions made are outside of the Council's control and influence.

2.40 The key financial risks in the 2025/26 budget are as follows:

Financial Risk	Assumptions made
Employees Budget	Assumed 2025/26 Pay Award of 3%, in 2024/25 the actual award was 3.5%, this is of course subject to agreement nationally and is therefore outside of the Councils control. A 1% increase would equate to an additional £147k A 3% vacancy management factor has been included in the 2025/26 budget, this equates to £415k. This is a reduction of the 2024/25 amount of 5%.

Financial Risk	Assumptions made
	The Council is currently delivering against the 2024/25 forecast, therefore careful management of the Councils staffing budget will need to be undertaken throughout the year. Every 1% not achieved is £138k The agency staff budget has been reduced from £125k in 2024/25 to £22k in 2025/26. This means that any additional temporary resource will need to be met from existing vacant post budgets or savings found elsewhere.
Interest rates and inflation	The global economic situation is currently uncertain, and this could have an impact on interest rates and inflation. A key risk is the cost of short-term borrowing as the Councils 2025/26 Treasury Management Strategy proposes no long-term borrowing in 2025/26 given the high interest rates and the adverse impact on the Council of locking itself into long-term borrowing at these rates. This proposed strategy will need to be kept under review. The 2025/26 budget assumes interest rates on short-term borrowing at 4.25%. For 2025/26 this is budgeted at £1.6m The Council also budgets for interest receivable, for 2025/26 this is budgeted at £600k. A 1% difference in interest rates would impact the revenue budget by a net £331k. (net interest receivable and payable) It is more difficult to assess the impact of a rise in inflation as different expenditure budgets have increased by specific inflation indices.
Business Rates	The forecasting of Business Rates income is always difficult given the potential volatility arising from businesses moving out of the area or ceasing to trade and the number of successful appeals lodged with the Valuation Office Agency on the rateable values used. The reduction of retail and hospitality reliefs introduced by the Government could have a significant impact on collectable debt. This will be closely monitored through the Shared Revenues Partnership and will be reported through to Cabinet as part of the quarterly monitoring and through the Joint SRP committee.
Income from Fees and Charges	A significant part of the Council's costs continues to be met from fees and charges. For some of these headings it is difficult to predict the level of income to be received e.g. planning fees, so progress against these income targets will need to be monitored throughout the year, particularly in the light of continuing economic volatility.

Financial Risk	Assumptions made
	A 1% change in fees and charges income including from planning, building control, garden waste, car park and recycling performance payments income is around £53k.
Capital Programme	The Councils capital programme for 2025/26 has been reviewed with a view to keeping financing costs manageable within the budget. This budget has focussed on using the Councils reserves to finance the capital programme in order to keep the financing cost to a minimum. This is utilising £12.9m of the Councils reserves The borrowing strategy and MRP policy are set out in detail in the Capital, Investment and Treasury Management Strategies document The capital programme spend could increase due to unexpected increases in material or contract costs linked to demand or inflation. Performance against the capital programme will be reported through the quarterly monitoring to Cabinet.

Adequacy of Reserves

2.41 There is no available guidance on the minimum level of reserves that should be maintained. Each authority should determine a prudent level of reserves based upon their own circumstances, risk and uncertainties. Regard has been had to guidance that has been issued to CFO's and the risks and uncertainties faced.

2.42 The Council is required to maintain adequate financial reserves to meet the needs of the authority. This is the General Reserve and provides a safe level of contingency.

2.43 The minimum level of unearmarked reserves in 2025/26 will remain at £1m, this represents 10% of the annual General Fund Budget. There is currently no intention to increase the reserve.

2.44 Levels of earmarked reserves (excluding those relating to the Housing Revenue Account) are forecast to be £28.m at 31 March 2026. £8.7m in financial resilience and risk reserves, £3.9m in service specific reserves and £16.2m in the investing in the district reserves.

Conclusion

2.45 Taking all of the above into consideration, the Section 151 Officer's opinion is that the Council's budget and estimates are reasonable based on the assumptions and available information, but cannot be absolutely robust, so a full assurance cannot be given that there will be no unforeseen adverse variances.

2.46 This is an expected and acceptable situation for any organisation that is dealing with a large number of variables. Also, the general economic situation is likely to impact on expenditure and income. The £8.7m in the financial risk and resilience reserves along with the £1m minimum reserve are considered adequate to cover any variations that may arise throughout the year.

2.47 The medium-term position for the Council becomes more challenging if the assumptions on business rates reset and a cliff edge in Government funding in 2026/27 are realistic. However, the level of reserves the Councils holds can help to mitigate this. These forecasts will be updated during 2025/26 as more information is received from central Government on the fair funding review and business rates reset and if necessary, the costs of delivering services for the Council will be reviewed to ensure the Council continues to remain financially sustainable.

2.48 It is acknowledged that plans for future years may change following the Devolution White Paper. Progress on this will be kept under review and reflected in future years budgets.

Melissa Evans
Director, Corporate Finance & Procurement
(Section 151 Officer)

APPENDIX I : COUNCIL TAX RESOLUTION AND PARISH SCHEDULES

Budget, Funding and Council Tax Requirements

	2025/26 Budget Requirement £	2025/26 Council Tax at Band D £	2024/25 Budget Requirement £
Mid Suffolk District Council			
General Fund Budget Requirement District Council Purposes	16,692,289	390.09	17,748,793
Estimated Parish/Town Council Precepts (net of Council Tax Support Scheme Grant)	4,041,481	94.45	3,705,369
	20,733,769	**484.54**	**21,454,162**
Business Rates	(7,631,109)	(178.33)	(8,963,641)
Rural Services Delivery Grant	-	-	(588,004)
Revenue Support Grant (RSG)	(157,010)	(3.67)	(120,562)
Services Grant	-	-	(14,473)
Funding Guarantee Grant	(270,843)	(6.33)	(345,691)
Adjustment for anticipated surplus on Business Rates Collection Fund	(1,143,804)	(26.73)	(396,133)
Adjustment for anticipated surplus on Council Tax Collection Fund	-	-	(97,925)
MSDC's basic amount under section 33 of the 1992 Local Government Act	**11,531,003**	**269.47**	**10,927,733**
LESS: ***Estimated*** Parish/Town Council Precepts	(4,041,481)	(94.45)	(3,705,369)
Basic amount under s. 34 of the 1992 Act for dwellings to which no special items relate. (see section 3 below)	**7,489,523**	**175.03**	**7,222,364**
Anticipated Suffolk County Council precept requirement (see section 7 below)	70,580,842	1,649.43	64,828,416
Anticipated Police and Crime Commissioners Requirement (see section 7 below)	12,389,293	289.53	11,371,712
Estimated **Basic amount for areas where there are no special items.**	**90,459,657**	**2,113.99**	**83,422,492**

Council Tax Resolution 2025/26

1. It is a requirement for the billing authority to calculate a council tax requirement for the year as opposed to its budget requirement.

2. It be noted that the Council, as delegated to the Section 151 Officer, calculated the taxbase**:**

   a) for the whole Council area as 42,791.05 and,

   b) for dwellings in those parts of its area to which a Parish precept relates as further detailed in Appendix I.

3. The council tax requirement for the Council's own purposes for 2025/26 (excluding Parish precepts) is £7,489,523.

4. That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:

(a)	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A)(2) of the Act taking into account all precepts issued to it by Parish Councils (gross expenditure)	66,494,279

(b)	Being the aggregate of the amounts which the Council estimates for items set out in Section 31(A)(3) of the Act (gross income)	(54,963,276)

(c)	Being the amount by which the aggregate at 3 a) above exceeds the aggregate at 3 b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act) (net expenditure)	11,531,003

(d)	Being the amount at 4(c) above (item R) all divided by item T (2(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year (including Parish precepts) (average council tax)	269.47

(e)	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Appendix B)	4,041,481

(f)	Being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by item T (2(a) above) calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no Parish precept relates (basic council tax)	175.03

5. To note that Suffolk County Council and the Police and Crime Commissioner have issued precepts to the Council in accordance with section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in Section 7 below.

6. That the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below and further in Appendix I as the amounts of council tax for 2025/26 for each part of its area and for each of the categories of dwellings.

7. The precept levels of other precepting bodies have been received. These are detailed below:

Suffolk County Council

Suffolk County Council has set their precept at £70,580,842 which results in a Band D council tax of £1,649.43.

Suffolk Police and Crime Commissioner

The Police and Crime Commissioner has set their precept at £12,389,293. This results in a Band D council tax of £289.53.

Mid Suffolk District Council

The General Fund council tax requirement for Mid Suffolk District Council is based on freezing the amount for a Band D property at £175.03.

Aggregated council tax requirement

The aggregated council tax requirement for Suffolk County Council, Suffolk Police and Crime Commissioner and Mid Suffolk District Council results in a Band D council tax of £2,113,99.

	Mid Suffolk District Council	**Suffolk County Council**	**Police and Crime Commissioner**	**Aggregated Council Tax requirement**
Valuation Bands	**£**	**£**	**£**	**£**
A	116.69	1,099.62	193.02	1,409.33
B	136.13	1,282.89	225.19	1,644.21
C	155.58	1,466.16	257.36	1,879.10
D	175.03	1,649.43	289.53	2,113.99
E	213.93	2,015.97	353.87	2,583.77
F	252.82	2,382.51	418.21	3,053.54
G	291.72	2,749.05	482.55	3,523.32
H	350.06	3,298.86	579.06	4,227.98

8. The Town and Parish Council Precepts for 2025/26 are detailed further in Appendix I and total £4,041,481. The increase in the average Band D for Town and Parish Councils is 5.18% and results in an average Band D council tax figure of £94.45 for 2025/26.

Council Taxbase for Parishes and District – 2025/26

Parish	COUNCIL TAX BASE 2024/25	COUNCIL TAX BASE 2025/26	% Change
Akenham	24.42	24.70	1.1%
Ashbocking	147.86	145.85	-1.4%
Ashfield-cum-Thorpe	96.38	98.84	2.6%
Aspall	30.51	32.93	7.9%
Athelington	20.52	22.57	10.0%
Bacton	610.53	694.42	13.7%
Badley	33.61	34.16	1.6%
Badwell Ash	390.09	415.25	6.4%
Barham	556.18	578.09	3.9%
Barking	180.91	192.15	6.2%
Battisford	262.67	265.27	1.0%
Baylham	124.60	127.54	2.4%
Bedfield	172.12	177.91	3.4%
Bedingfield	100.79	104.51	3.7%
Beyton	314.91	319.26	1.4%
Botesdale	353.25	364.93	3.3%
Braiseworth	31.16	31.89	2.3%
Bramford	1,041.66	1,103.35	5.9%
Brome and Oakley	227.00	233.45	2.8%
Brundish	82.45	85.90	4.2%
Burgate	67.65	69.57	2.8%
Buxhall	174.75	182.39	4.4%
Claydon	772.40	778.26	0.8%
Coddenham	281.59	294.43	4.6%
Combs	330.35	339.47	2.8%
Cotton	243.16	257.46	5.9%
Creeting St Mary	372.22	419.69	12.8%
Creeting St Peter	99.83	101.70	1.9%
Crowfield	165.42	160.75	-2.8%
Darmsden	17.19	19.55	13.7%
Debenham	872.78	896.52	2.7%
Denham	83.74	86.42	3.2%
Drinkstone	281.17	292.09	3.9%
Earl Stonham	264.76	269.28	1.7%
Elmswell	1,919.54	1,982.51	3.3%
Eye	845.03	911.30	7.8%
Felsham	183.56	184.42	0.5%
Finningham	218.94	226.87	3.6%
Flowton	49.23	50.78	3.1%
Framsden	143.34	143.31	0.0%
Fressingfield	442.26	453.72	2.6%
Gedding	51.52	55.65	8.0%
Gipping	26.98	27.38	1.5%
Gislingham	475.13	485.20	2.1%
Gosbeck	88.50	89.82	1.5%
Great Ashfield	155.65	158.07	1.6%
Great Blakenham	859.36	859.04	0.0%
Great Bricett	221.64	219.19	-1.1%
Great Finborough	336.51	348.96	3.7%
Harleston	69.64	75.23	8.0%
Haughley	709.20	719.86	1.5%
Helmingham	68.08	72.35	6.3%
Hemingstone	106.18	110.48	4.0%
Henley	237.28	236.66	-0.3%
Hessett	210.46	216.54	2.9%
Hinderclay	129.31	139.00	7.5%
Horham	128.56	130.07	1.2%
Hoxne	373.45	392.25	5.0%
Hunston	56.26	55.22	-1.8%
Kenton	100.07	101.83	1.8%
Langham	43.56	45.17	3.7%
Laxfield	470.69	492.39	4.6%

Parish	COUNCIL TAX BASE 2024/25	COUNCIL TAX BASE 2025/26	% Change
Little Blakenham	109.29	114.40	4.7%
Little Finborough	25.80	27.01	4.7%
Mellis	213.30	221.01	3.6%
Mendham	181.53	186.02	2.5%
Mendlesham	569.88	602.99	5.8%
Metfield	176.68	187.02	5.9%
Mickfield	91.56	91.29	-0.3%
Monk Soham	78.85	79.19	0.4%
Needham Market	1,820.55	1,923.03	5.6%
Nettlestead	39.28	39.88	1.5%
Norton	467.30	475.91	1.8%
Occold	207.41	212.91	2.7%
Offton	154.45	162.26	5.1%
Old Newton with Dagworth	433.84	495.32	14.2%
Onehouse	467.37	537.20	14.9%
Palgrave	402.23	406.12	1.0%
Pettaugh	86.58	89.15	3.0%
Rattlesden	421.51	423.91	0.6%
Redgrave	277.15	286.39	3.3%
Redlingfield	53.08	57.77	8.8%
Rickinghall Inferior	169.65	173.84	2.5%
Rickinghall Superior	336.07	341.68	1.7%
Ringshall	264.80	264.33	-0.2%
Rishangles	41.36	42.21	2.1%
Shelland	27.93	26.73	-4.3%
Somersham	283.26	281.83	-0.5%
Southolt	29.78	30.62	2.8%
Stoke Ash	82.98	87.64	5.6%
Stonham Aspal	253.42	274.34	8.3%
Stonham Parva	142.95	148.76	4.1%
Stowlangtoft	91.41	88.91	-2.7%
Stowmarket	7,019.63	7,143.15	1.8%
Stowupland	992.45	1,031.00	3.9%
Stradbroke	633.47	635.67	0.3%
Stuston	88.16	92.64	5.1%
Syleham	97.74	105.12	7.6%
Tannington	42.82	44.92	4.9%
Thorndon	340.87	343.77	0.9%
Thornham Magna	85.55	92.93	8.6%
Thornham Parva	28.13	30.25	7.5%
Thrandeston	73.11	73.85	1.0%
Thurston	1,766.96	1,861.37	5.3%
Thwaite	64.46	63.93	-0.8%
Tostock	230.85	233.47	1.1%
Walsham-le-Willows	532.88	543.26	1.9%
Wattisfield	196.52	210.40	7.1%
Westhorpe	83.97	83.62	-0.4%
Wetherden	252.67	261.96	3.7%
Wetheringsett-cum-Brockford	297.91	298.20	0.1%
Weybread	183.93	195.63	6.4%
Whitton	88.55	155.14	75.2%
Wickham Skeith	137.15	147.63	7.6%
Wilby	132.03	137.91	4.5%
Willisham	107.92	107.04	-0.8%
Wingfield	154.27	155.25	0.6%
Winston	71.24	75.48	6.0%
Woolpit	969.24	1,013.84	4.6%
Worlingworth	332.53	343.66	3.3%
Wortham	343.38	360.11	4.9%
Wyverstone	141.17	141.33	0.1%
Yaxley	225.28	225.03	-0.1%
TOTAL	**41,264.65**	**42,791.05**	**3.7%**

Precepts and Council Tax Band D for Parishes

Parish	2024/25 Parish Precept	Tax Base	Council Tax Band D	2025/26 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Akenham	-	24.42	-	-	24.70	-	0.00
Ashbocking	2,205.00	147.86	14.91	2,205.00	145.85	15.12	0.21
Ashfield-cum-Thorpe	3,414.00	96.38	35.42	3,764.00	98.84	38.08	2.66
Aspall	-	30.51	-	-	32.93	-	0.00
Athelington	412.93	20.52	20.12	487.95	22.57	21.62	1.50
Bacton	40,255.00	610.53	65.93	46,733.06	694.42	67.30	1.37
Badley	-	33.61	-	-	34.16	-	0.00
Badwell Ash	29,630.00	390.09	75.96	32,487.00	415.25	78.23	2.27
Barham	31,249.00	556.18	56.19	56,120.00	578.09	97.08	40.89
Barking	15,200.00	180.91	84.02	16,500.00	192.15	85.87	1.85
Battisford	14,275.00	262.67	54.35	14,791.00	265.27	55.76	1.41
Baylham	2,000.00	124.60	16.05	2,000.00	127.54	15.68	-0.37
Bedfield	5,600.00	172.12	32.54	6,100.00	177.91	34.29	1.75
Bedingfield	1,620.00	100.79	16.07	1,620.00	104.51	15.50	-0.57
Beyton	23,357.40	314.91	74.17	23,824.55	319.26	74.62	0.45
Botesdale	60,900.00	353.25	172.40	63,600.00	364.93	174.28	1.88
Braiseworth	-	31.16	-	-	31.89	-	0.00
Bramford	85,617.00	1,041.66	82.19	92,955.00	1,103.35	84.25	2.06
Brome and Oakley	8,000.00	227.00	35.24	8,250.00	233.45	35.34	0.10
Brundish	4,536.00	82.45	55.01	4,924.00	85.90	57.32	2.31
Burgate	3,324.65	67.65	49.14	3,400.13	69.57	48.87	-0.27
Buxhall	7,161.86	174.75	40.98	7,836.23	182.39	42.96	1.98
Claydon	35,379.95	772.40	45.81	35,652.88	778.26	45.81	0.00
Coddenham	34,217.00	281.59	121.51	35,259.00	294.43	119.75	-1.76
Combs	10,106.00	330.35	30.59	10,106.00	339.47	29.77	-0.82
Cotton	9,368.00	243.16	38.53	9,645.00	257.46	37.46	-1.07
Creeting St Mary	11,686.00	372.22	31.40	11,686.00	419.69	27.84	-3.56
Creeting St Peter	6,092.00	99.83	61.02	6,092.00	101.70	59.90	-1.12
Crowfield	2,900.00	165.42	17.53	2,900.00	160.75	18.04	0.51
Darmsden	-	17.19	-	-	19.55	-	0.00
Debenham	88,770.00	872.78	101.71	91,166.00	896.52	101.69	-0.02
Denham	5,450.00	83.74	65.08	5,606.00	86.42	64.87	-0.21
Drinkstone	10,000.00	281.17	35.57	10,855.00	292.09	37.16	1.59
Earl Stonham	7,675.00	264.76	28.99	8,586.00	269.28	31.89	2.90
Elmswell	229,749.00	1,919.54	119.69	249,150.00	1,982.51	125.67	5.98
Eye	146,850.00	845.03	173.78	149,345.00	911.30	163.88	-9.90
Felsham	7,000.00	183.56	38.13	7,000.00	184.42	37.96	-0.17
Finningham	10,025.00	218.94	45.79	10,845.00	226.87	47.80	2.01
Flowton	-	49.23	-	-	50.78	-	0.00
Framsden	10,322.00	143.34	72.01	10,918.00	143.31	76.18	4.17
Fressingfield	36,845.00	442.26	83.31	37,800.00	453.72	83.31	0.00
Gedding	1,045.00	51.52	20.28	1,129.00	55.65	20.29	0.01
Gipping	1,844.93	26.98	68.38	1,921.20	27.38	70.17	1.79
Gislingham	15,000.00	475.13	31.57	14,400.00	485.20	29.68	-1.89
Gosbeck	1,500.00	88.50	16.95	1,500.00	89.82	16.70	-0.25
Great Ashfield	2,994.00	155.65	19.24	4,320.00	158.07	27.33	8.09
Great Blakenham	52,500.00	859.36	61.09	55,125.00	859.04	64.17	3.08
Great Bricett	11,900.00	221.64	53.69	12,376.00	219.19	56.46	2.77
Great Finborough	16,342.00	336.51	48.56	17,794.00	348.96	50.99	2.43
Harleston	2,060.00	69.64	29.58	2,225.00	75.23	29.58	0.00
Haughley	58,554.00	709.20	82.56	60,030.00	719.86	83.39	0.83
Helmingham	2,750.00	68.08	40.39	-	72.35	-	-40.39
Hemingstone	5,112.71	106.18	48.15	5,607.35	110.48	50.75	2.60
Henley	12,242.00	237.28	51.59	12,209.60	236.66	51.59	0.00
Hessett	12,568.20	210.46	59.72	14,166.00	216.54	65.42	5.70
Hinderclay	6,000.00	129.31	46.40	6,500.00	139.00	46.76	0.36
Horham	2,587.07	128.56	20.12	2,812.05	130.07	21.62	1.50
Hoxne	14,700.00	373.45	39.36	23,160.00	392.25	59.04	19.68
Hunston	-	56.26	-	-	55.22	-	0.00
Kenton	1,600.00	100.07	15.99	1,600.00	101.83	15.71	-0.28
Langham	-	43.56	-	-	45.17	-	0.00
Laxfield	46,357.00	470.69	98.49	53,000.00	492.39	107.64	9.15
Little Blakenham	7,660.00	109.29	70.09	8,425.00	114.40	73.65	3.56
Little Finborough	-	25.80	-	-	27.01	-	0.00

Precepts and Council Tax Band D for Parishes

Parish	2024/25 Parish Precept	Tax Base	Council Tax Band D	2025/26 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Mellis	8,695.00	213.30	40.76	9,370.00	221.01	42.40	1.64
Mendham	7,000.00	181.53	38.56	7,200.00	186.02	38.71	0.15
Mendlesham	53,601.00	569.88	94.06	57,850.00	602.99	95.94	1.88
Metfield	7,000.00	176.68	39.62	7,750.00	187.02	41.44	1.82
Mickfield	7,000.00	91.56	76.45	7,280.00	91.29	79.75	3.30
Monk Soham	3,150.00	78.85	39.95	3,325.00	79.19	41.99	2.04
Needham Market	161,909.19	1,820.55	88.93	180,920.00	1,923.03	94.08	5.15
Nettlestead	-	39.28	-	-	39.88	-	0.00
Norton	39,000.00	467.30	83.46	55,000.00	475.91	115.57	32.11
Occold	8,800.00	207.41	42.43	11,440.00	212.91	53.73	11.30
Offton	6,826.25	154.45	44.20	7,110.40	162.26	43.82	-0.38
Old Newton with Dagworth	29,666.59	433.84	68.38	34,755.70	495.32	70.17	1.79
Onehouse	23,028.00	467.37	49.27	27,000.00	537.20	50.26	0.99
Palgrave	21,376.00	402.23	53.14	23,525.00	406.12	57.93	4.79
Pettaugh	2,750.00	86.58	31.76	2,750.00	89.15	30.85	-0.91
Rattlesden	22,338.00	421.51	53.00	25,811.32	423.91	60.89	7.89
Redgrave	25,252.16	277.15	91.11	26,001.65	286.39	90.79	-0.32
Redlingfield	-	53.08	-	-	57.77	-	0.00
Rickinghall Inferior	11,506.36	169.65	67.82	12,139.66	173.84	69.83	2.01
Rickinghall Superior	22,793.64	336.07	67.82	23,860.34	341.68	69.83	2.01
Ringshall	9,683.00	264.80	36.57	9,666.00	264.33	36.57	0.00
Rishangles	-	41.36	-	-	42.21	-	0.00
Shelland	100.00	27.93	3.58	150.00	26.73	5.61	2.03
Somersham	18,442.00	283.26	65.11	18,422.00	281.83	65.37	0.26
Southolt	-	29.78	-	-	30.62	-	0.00
Stoke Ash	6,773.92	82.98	81.63	6,741.98	87.64	76.93	-4.70
Stonham Aspal	5,500.00	253.42	21.70	7,000.00	274.34	25.52	3.82
Stonham Parva	7,139.00	142.95	49.94	8,172.00	148.76	54.93	4.99
Stowlangtoft	3,300.00	91.41	36.10	3,850.00	88.91	43.30	7.20
Stowmarket	1,380,558.66	7,019.63	196.67	1,501,786.23	7,143.15	210.24	13.57
Stowupland	55,925.00	992.45	56.35	59,630.45	1,031.00	57.84	1.49
Stradbroke	45,200.00	633.47	71.35	46,491.00	635.67	73.14	1.79
Stuston	650.00	88.16	7.37	720.00	92.64	7.77	0.40
Syleham	4,200.00	97.74	42.97	4,607.00	105.12	43.83	0.86
Tannington	-	42.82	-	-	44.92	-	0.00
Thorndon	22,500.00	340.87	66.01	23,000.00	343.77	66.91	0.90
Thornham Magna	1,260.00	85.55	14.73	1,923.00	92.93	20.69	5.96
Thornham Parva	300.00	28.13	10.66	300.00	30.25	9.92	-0.74
Thrandeston	3,500.00	73.11	47.87	4,500.00	73.85	60.93	13.06
Thurston	177,360.00	1,766.96	100.38	201,497.00	1,861.37	108.25	7.87
Thwaite	5,262.08	64.46	81.63	4,918.02	63.93	76.93	-4.70
Tostock	12,323.00	230.85	53.38	12,463.00	233.47	53.38	0.00
Walsham-le-Willows	24,998.00	532.88	46.91	25,995.00	543.26	47.85	0.94
Wattisfield	12,384.00	196.52	63.02	13,421.38	210.40	63.79	0.77
Westhorpe	3,780.00	83.97	45.02	3,855.60	83.62	46.11	1.09
Wetherden	12,890.00	252.67	51.02	13,765.00	261.96	52.55	1.53
Wetheringsett-cum-Brockford	12,980.00	297.91	43.57	13,708.00	298.20	45.97	2.40
Weybread	6,973.00	183.93	37.91	7,491.00	195.63	38.29	0.38
Whitton	4,056.05	88.55	45.81	7,107.12	155.14	45.81	0.00
Wickham Skeith	4,600.00	137.15	33.54	5,900.00	147.63	39.96	6.42
Wilby	6,092.00	132.03	46.14	6,460.36	137.91	46.84	0.70
Willisham	4,769.75	107.92	44.20	4,690.60	107.04	43.82	-0.38
Wingfield	6,500.00	154.27	42.13	6,500.00	155.25	41.87	-0.26
Winston	1,300.00	71.24	18.25	2,095.83	75.48	27.77	9.52
Woolpit	65,000.00	969.24	67.06	70,000.00	1,013.84	69.04	1.98
Worlingworth	13,762.00	332.53	41.39	14,224.00	343.66	41.39	0.00
Wortham	16,875.35	343.38	49.14	17,599.87	360.11	48.87	-0.27
Wyverstone	3,230.00	141.17	22.88	3,230.00	141.33	22.85	-0.03
Yaxley	7,000.00	225.28	31.07	8,000.00	225.03	35.55	4.48
Total	**3,705,368.70**	**41,264.65**	**5,857.12**	**4,041,480.51**	**41,264.65**	**6,096.46**	**239.34**

Precept for each banding by Parish

	Valuation Bands							
	A	B	C	D	E	F	G	H
Mid Suffolk District Council	116.69	136.13	155.58	175.03	213.93	252.82	291.72	350.06
Suffolk County Council	1,099.62	1,282.89	1,466.16	1,649.43	2,015.97	2,382.51	2,749.05	3,298.86
Police and Crime Commissioner	193.02	225.19	257.36	289.53	353.87	418.21	482.55	579.06
Aggregate of Council Tax Requirements	**1,409.33**	**1,644.21**	**1,879.10**	**2,113.99**	**2,583.77**	**3,053.54**	**3,523.32**	**4,227.98**

Parish	Total Amount of Council Tax for 2025/26							
	6/9 ths	7/9 ths	8/9 ths		11/9 ths	13/9 ths	15/9 ths	18/9 ths
	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Akenham	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Ashbocking	1,419.41	1,655.97	1,892.54	2,129.11	2,602.25	3,075.38	3,548.52	4,258.22
Ashfield-cum-Thorpe	1,434.71	1,673.83	1,912.95	2,152.07	2,630.31	3,108.55	3,586.78	4,304.14
Aspall	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Athelington	1,423.74	1,661.03	1,898.32	2,135.61	2,610.19	3,084.77	3,559.35	4,271.22
Bacton	1,454.19	1,696.56	1,938.92	2,181.29	2,666.02	3,150.75	3,635.48	4,362.58
Badley	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Badwell Ash	1,461.48	1,705.06	1,948.64	2,192.22	2,679.38	3,166.54	3,653.70	4,384.44
Barham	1,474.05	1,719.72	1,965.40	2,211.07	2,702.42	3,193.77	3,685.12	4,422.14
Barking	1,466.57	1,711.00	1,955.43	2,199.86	2,688.72	3,177.58	3,666.43	4,399.72
Battisford	1,446.50	1,687.58	1,928.67	2,169.75	2,651.92	3,134.08	3,616.25	4,339.50
Baylham	1,419.78	1,656.41	1,893.04	2,129.67	2,602.93	3,076.19	3,549.45	4,259.34
Bedfield	1,432.19	1,670.88	1,909.58	2,148.28	2,625.68	3,103.07	3,580.47	4,296.56
Bedingfield	1,419.66	1,656.27	1,892.88	2,129.49	2,602.71	3,075.93	3,549.15	4,258.98
Beyton	1,459.07	1,702.25	1,945.43	2,188.61	2,674.97	3,161.33	3,647.68	4,377.22
Botesdale	1,525.51	1,779.77	2,034.02	2,288.27	2,796.77	3,305.28	3,813.78	4,576.54
Braiseworth	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Bramford	1,465.49	1,709.74	1,953.99	2,198.24	2,686.74	3,175.24	3,663.73	4,396.48
Brome and Oakley	1,432.89	1,671.70	1,910.52	2,149.33	2,626.96	3,104.59	3,582.22	4,298.66
Brundish	1,447.54	1,688.80	1,930.05	2,171.31	2,653.82	3,136.34	3,618.85	4,342.62
Burgat	1,441.91	1,682.22	1,922.54	2,162.86	2,643.50	3,124.13	3,604.77	4,325.72
Buxhall	1,437.97	1,677.63	1,917.29	2,156.95	2,636.27	3,115.59	3,594.92	4,313.90
Claydon	1,439.87	1,679.84	1,919.82	2,159.80	2,639.76	3,119.71	3,599.67	4,319.60
Coddenham	1,489.16	1,737.35	1,985.55	2,233.74	2,730.13	3,226.51	3,722.90	4,467.48
Combs	1,429.17	1,667.37	1,905.56	2,143.76	2,620.15	3,096.54	3,572.93	4,287.52
Cotton	1,434.30	1,673.35	1,912.40	2,151.45	2,629.55	3,107.65	3,585.75	4,302.90
Creeting St Mary	1,427.89	1,665.87	1,903.85	2,141.83	2,617.79	3,093.75	3,569.72	4,283.66
Creeting St Peter	1,449.26	1,690.80	1,932.35	2,173.89	2,656.98	3,140.06	3,623.15	4,347.78
Crowfield	1,421.35	1,658.25	1,895.14	2,132.03	2,605.81	3,079.60	3,553.38	4,264.06
Darmsden	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Debenham	1,477.12	1,723.31	1,969.49	2,215.68	2,708.05	3,200.43	3,692.80	4,431.36
Denham	1,452.57	1,694.67	1,936.76	2,178.86	2,663.05	3,147.24	3,631.43	4,357.72
Drinkstone	1,434.10	1,673.12	1,912.13	2,151.15	2,629.18	3,107.22	3,585.25	4,302.30
Earl Stonham	1,430.59	1,669.02	1,907.45	2,145.88	2,622.74	3,099.60	3,576.47	4,291.76
Elmswell	1,493.11	1,741.96	1,990.81	2,239.66	2,737.36	3,235.06	3,732.77	4,479.32
Eye	1,518.58	1,771.68	2,024.77	2,277.87	2,784.06	3,290.26	3,796.45	4,555.74
Felsham	1,434.63	1,673.74	1,912.84	2,151.95	2,630.16	3,108.37	3,586.58	4,303.90
Finningham	1,441.19	1,681.39	1,921.59	2,161.79	2,642.19	3,122.59	3,602.98	4,323.58
Flowton	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Framsden	1,460.11	1,703.47	1,946.82	2,190.17	2,676.87	3,163.58	3,650.28	4,380.34
Fressingfield	1,464.87	1,709.01	1,953.16	2,197.30	2,685.59	3,173.88	3,662.17	4,394.60

Precept for each banding by Parish

	Valuation Bands							
	A	B	C	D	E	F	G	H
Mid Suffolk District Council	116.69	136.13	155.58	175.03	213.93	252.82	291.72	350.06
Suffolk County Council	1,099.62	1,282.89	1,466.16	1,649.43	2,015.97	2,382.51	2,749.05	3,298.86
Police and Crime Commissioner	193.02	225.19	257.36	289.53	353.87	418.21	482.55	579.06
Aggregate of Council Tax Requirements	**1,409.33**	**1,644.21**	**1,879.10**	**2,113.99**	**2,583.77**	**3,053.54**	**3,523.32**	**4,227.98**

Parish	Total Amount of Council Tax for 2025/26							
	6/9 ths	7/9 ths	8/9 ths		11/9 ths	13/9 ths	15/9 ths	18/9 ths
	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Gedding	1,422.85	1,660.00	1,897.14	2,134.28	2,608.56	3,082.85	3,557.13	4,268.56
Gipping	1,456.11	1,698.79	1,941.48	2,184.16	2,669.53	3,154.90	3,640.27	4,368.32
Gislingham	1,429.11	1,667.30	1,905.48	2,143.67	2,620.04	3,096.41	3,572.78	4,287.34
Gosbeck	1,420.46	1,657.20	1,893.95	2,130.69	2,604.18	3,077.66	3,551.15	4,261.38
Great Ashfield	1,427.55	1,665.47	1,903.40	2,141.32	2,617.17	3,093.02	3,568.87	4,282.64
Great Blakenham	1,452.11	1,694.12	1,936.14	2,178.16	2,662.20	3,146.23	3,630.27	4,356.32
Great Bricett	1,446.97	1,688.13	1,929.29	2,170.45	2,652.77	3,135.09	3,617.42	4,340.90
Great Finborough	1,443.32	1,683.87	1,924.43	2,164.98	2,646.09	3,127.19	3,608.30	4,329.96
Harleston	1,429.05	1,667.22	1,905.40	2,143.57	2,619.92	3,096.27	3,572.62	4,287.14
Haughley	1,464.92	1,709.07	1,953.23	2,197.38	2,685.69	3,173.99	3,662.30	4,394.76
Helmingham	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Hemingstone	1,443.16	1,683.69	1,924.21	2,164.74	2,645.79	3,126.85	3,607.90	4,329.48
Henley	1,443.72	1,684.34	1,924.96	2,165.58	2,646.82	3,128.06	3,609.30	4,331.16
Hessett	1,452.94	1,695.10	1,937.25	2,179.41	2,663.72	3,148.04	3,632.35	4,358.82
Hinderclay	1,440.50	1,680.58	1,920.67	2,160.75	2,640.92	3,121.08	3,601.25	4,321.50
Horham	1,423.74	1,661.03	1,898.32	2,135.61	2,610.19	3,084.77	3,559.35	4,271.22
Hoxne	1,448.69	1,690.13	1,931.58	2,173.03	2,655.93	3,138.82	3,621.72	4,346.06
Hunston	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Kenton	1,419.80	1,656.43	1,893.07	2,129.70	2,602.97	3,076.23	3,549.50	4,259.40
Langham	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Laxfield	1,481.09	1,727.93	1,974.78	2,221.63	2,715.33	3,209.02	3,702.72	4,443.26
Little Blakenham	1,458.43	1,701.50	1,944.57	2,187.64	2,673.78	3,159.92	3,646.07	4,375.28
Little Finborough	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Mellis	1,437.59	1,677.19	1,916.79	2,156.39	2,635.59	3,114.79	3,593.98	4,312.78
Mendham	1,435.13	1,674.32	1,913.51	2,152.70	2,631.08	3,109.46	3,587.83	4,305.40
Mendlesham	1,473.29	1,718.83	1,964.38	2,209.93	2,701.03	3,192.12	3,683.22	4,419.86
Metfield	1,436.95	1,676.45	1,915.94	2,155.43	2,634.41	3,113.40	3,592.38	4,310.86
Mickfield	1,462.49	1,706.24	1,949.99	2,193.74	2,681.24	3,168.74	3,656.23	4,387.48
Monk Soham	1,437.32	1,676.87	1,916.43	2,155.98	2,635.09	3,114.19	3,593.30	4,311.96
Needham Market	1,472.05	1,717.39	1,962.73	2,208.07	2,698.75	3,189.43	3,680.12	4,416.14
Nettlestead	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Norton	1,486.37	1,734.10	1,981.83	2,229.56	2,725.02	3,220.48	3,715.93	4,459.12
Occold	1,445.15	1,686.00	1,926.86	2,167.72	2,649.44	3,131.15	3,612.87	4,335.44
Offton	1,438.54	1,678.30	1,918.05	2,157.81	2,637.32	3,116.84	3,596.35	4,315.62
Old Newton with Dagwort	1,456.11	1,698.79	1,941.48	2,184.16	2,669.53	3,154.90	3,640.27	4,368.32
Onehouse	1,442.83	1,683.31	1,923.78	2,164.25	2,645.19	3,126.14	3,607.08	4,328.50
Palgrave	1,447.95	1,689.27	1,930.60	2,171.92	2,654.57	3,137.22	3,619.87	4,343.84
Pettaugh	1,429.89	1,668.21	1,906.52	2,144.84	2,621.47	3,098.10	3,574.73	4,289.68
Rattlesden	1,449.92	1,691.57	1,933.23	2,174.88	2,658.19	3,141.49	3,624.80	4,349.76
Redgrave	1,469.85	1,714.83	1,959.80	2,204.78	2,694.73	3,184.68	3,674.63	4,409.56
Redlingfield	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Rickinghall Inferior	1,455.88	1,698.53	1,941.17	2,183.82	2,669.11	3,154.41	3,639.70	4,367.64
Rickinghall Superior	1,455.88	1,698.53	1,941.17	2,183.82	2,669.11	3,154.41	3,639.70	4,367.64

Precept for each banding by Parish

	Valuation Bands							
	A	B	C	D	E	F	G	H
Mid Suffolk District Council	116.69	136.13	155.58	175.03	213.93	252.82	291.72	350.06
Suffolk County Council	1,099.62	1,282.89	1,466.16	1,649.43	2,015.97	2,382.51	2,749.05	3,298.86
Police and Crime Commissioner	193.02	225.19	257.36	289.53	353.87	418.21	482.55	579.06
Aggregate of Council Tax Requirements	**1,409.33**	**1,644.21**	**1,879.10**	**2,113.99**	**2,583.77**	**3,053.54**	**3,523.32**	**4,227.98**

Parish	Total Amount of Council Tax for 2025/26							
	6/9 ths	7/9 ths	8/9 ths		11/9 ths	13/9 ths	15/9 ths	18/9 ths
	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Ringshall	1,433.71	1,672.66	1,911.61	2,150.56	2,628.46	3,106.36	3,584.27	4,301.12
Rishangle	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Shelland	1,413.07	1,648.58	1,884.09	2,119.60	2,590.62	3,061.64	3,532.67	4,239.20
Somersham	1,452.91	1,695.06	1,937.21	2,179.36	2,663.66	3,147.96	3,632.27	4,358.72
Southolt	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Stoke Ash	1,460.61	1,704.05	1,947.48	2,190.92	2,677.79	3,164.66	3,651.53	4,381.84
Stonham Aspal	1,426.34	1,664.06	1,901.79	2,139.51	2,614.96	3,090.40	3,565.85	4,279.02
Stonham Parva	1,445.95	1,686.94	1,927.93	2,168.92	2,650.90	3,132.88	3,614.87	4,337.84
Stowlangtoft	1,438.19	1,677.89	1,917.59	2,157.29	2,636.69	3,116.09	3,595.48	4,314.58
Stowmarket	1,549.49	1,807.73	2,065.98	2,324.23	2,840.73	3,357.22	3,873.72	4,648.46
Stowupland	1,447.89	1,689.20	1,930.52	2,171.83	2,654.46	3,137.09	3,619.72	4,343.66
Stradbroke	1,458.09	1,701.10	1,944.12	2,187.13	2,673.16	3,159.19	3,645.22	4,374.26
Stuston	1,414.51	1,650.26	1,886.01	2,121.76	2,593.26	3,064.76	3,536.27	4,243.52
Syleham	1,438.55	1,678.30	1,918.06	2,157.82	2,637.34	3,116.85	3,596.37	4,315.64
Tannington	1,409.33	1,644.21	1,879.10	2,113.99	2,583.77	3,053.54	3,523.32	4,227.98
Thorndon	1,453.93	1,696.26	1,938.58	2,180.90	2,665.54	3,150.19	3,634.83	4,361.80
Thornham Magna	1,423.12	1,660.31	1,897.49	2,134.68	2,609.05	3,083.43	3,557.80	4,269.36
Thornham Parva	1,415.94	1,651.93	1,887.92	2,123.91	2,595.89	3,067.87	3,539.85	4,247.82
Thrandeston	1,449.95	1,691.60	1,933.26	2,174.92	2,658.24	3,141.55	3,624.87	4,349.84
Thurston	1,481.49	1,728.41	1,975.32	2,222.24	2,716.07	3,209.90	3,703.73	4,444.48
Thwaite	1,460.61	1,704.05	1,947.48	2,190.92	2,677.79	3,164.66	3,651.53	4,381.84
Tostock	1,444.91	1,685.73	1,926.55	2,167.37	2,649.01	3,130.65	3,612.28	4,334.74
Walsham-le-Willows	1,441.23	1,681.43	1,921.64	2,161.84	2,642.25	3,122.66	3,603.07	4,323.68
Wattisfield	1,451.85	1,693.83	1,935.80	2,177.78	2,661.73	3,145.68	3,629.63	4,355.56
Westhorpe	1,440.07	1,680.08	1,920.09	2,160.10	2,640.12	3,120.14	3,600.17	4,320.20
Wetherden	1,444.36	1,685.09	1,925.81	2,166.54	2,647.99	3,129.45	3,610.90	4,333.08
Wetheringsett-cum-Brockford	1,439.97	1,679.97	1,919.96	2,159.96	2,639.95	3,119.94	3,599.93	4,319.92
Weybread	1,434.85	1,674.00	1,913.14	2,152.28	2,630.56	3,108.85	3,587.13	4,304.56
Whitton	1,439.87	1,679.84	1,919.82	2,159.80	2,639.76	3,119.71	3,599.67	4,319.60
Wickham Skeith	1,435.97	1,675.29	1,914.62	2,153.95	2,632.61	3,111.26	3,589.92	4,307.90
Wilby	1,440.55	1,680.65	1,920.74	2,160.83	2,641.01	3,121.20	3,601.38	4,321.66
Willisham	1,438.54	1,678.30	1,918.05	2,157.81	2,637.32	3,116.84	3,596.35	4,315.62
Wingfield	1,437.24	1,676.78	1,916.32	2,155.86	2,634.94	3,114.02	3,593.10	4,311.72
Winston	1,427.84	1,665.81	1,903.79	2,141.76	2,617.71	3,093.65	3,569.60	4,283.52
Woolpit	1,455.35	1,697.91	1,940.47	2,183.03	2,668.15	3,153.27	3,638.38	4,366.06
Worlingworth	1,436.92	1,676.41	1,915.89	2,155.38	2,634.35	3,113.33	3,592.30	4,310.76
Wortham	1,441.91	1,682.22	1,922.54	2,162.86	2,643.50	3,124.13	3,604.77	4,325.72
Wyverstone	1,424.56	1,661.99	1,899.41	2,136.84	2,611.69	3,086.55	3,561.40	4,273.68
Yaxley	1,433.03	1,671.86	1,910.70	2,149.54	2,627.22	3,104.89	3,582.57	4,299.08

Budget, Funding and Council Tax Requirements

1) The precept requirements of Parish / Town Councils must be aggregated with the requirement of this authority to arrive at an average Council Tax figure for the district / parish purposes. This figure however is totally hypothetical and will not be paid by any taxpayer (other than by coincidence).

2) The County and the Police and Crime Commissioner's precept requirements are added to this.

3) The legally required calculation is set out below:

    a. The General Fund Budget requirement for the District Council purposes in 2025/26 will be frozen at £175.03 Council Tax for a Band D property.

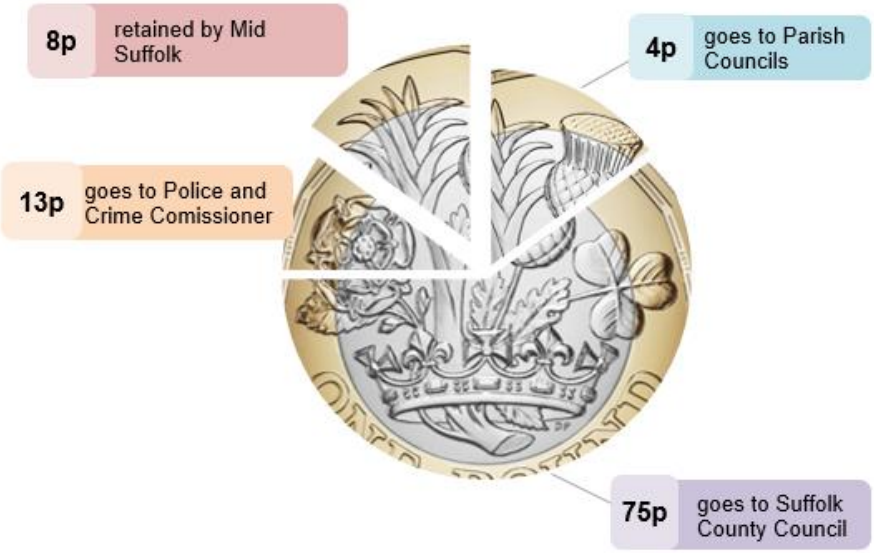
    b. The County Council precept requirement will be £1,649.43 for a Band D property in 2025/26, an increase of £78.39 (4.99%).

    c. The Police and Crime Commissioner's precept requirement will be £289.53, an increase of £13.95 (5.1%).

    d. The Parish / Town Councils average band D council tax figure will be £94.95, an increase of £4.65 (5.18%).

4) Each £1 of council tax collected by the District Council is distributed as per the chart below.

Chart: Where the council tax collected goes



5) Mid Suffolk is a billing authority and collects council tax and non-domestic rates on behalf of the other precepting authorities i.e. Suffolk County Council, Suffolk Police and Crime Commissioner and Parish / Town Councils. The dates that monies collected are paid over to the County Council, and the Police and Crime Commissioner ("precept dates") need to be formally agreed under Regulation 5(i) of the Local Authorities (Funds) (England) Regulations 1992.

6) Established practice is for payments to be made in 12 equal instalments on the 15th of each month or the next banking day if the 15th falls on a weekend or bank holiday. Accordingly, the precept dates applicable for 2025/26 are expected to be as follows:

15 April 2025	15 May 2025	16 June 2025	15 July 2025
15 August 2025	15 September 2025	15 October 2025	17 November 2025
15 December 2025	15 January 2026	16 February 2026	16 March 2026

APPENDIX J Council Tax Support - Discretionary Policy 2025/26

Introduction

1.1 The Council recognises that many residents are struggling with the cost of living and wishes to apply further assistance to those in the greatest financial need.

1.2 The Council operates means-tested Council Tax Reduction (CTR) Schemes that provide up to 100% Council Tax Reduction for those on the lowest incomes. Council Tax Reduction is calculated against liabilities for Council Tax after all reliefs and discounts have been applied. Whilst many households may have no Council Tax to pay after CTR is applied, around 25% have a residual liability to pay some Council Tax.

Council Tax Support 2025/26

1.3 This Policy provides for all recipients of Council Tax Reduction in 2025/26 who still have a balance of Council Tax to pay with a further reduction in their annual Council Tax bill of up to £50. The Council will use discretionary powers derived from the Local Government Finance Act 1992 (Section 13A 1(c)) to further reduce the liability of Council Taxpayers following the application of any entitlement to Council Tax Reduction.

1.4 The reduction will be applied as follows:

- Where a taxpayer's liability for 2025/26 is, following the application of Council Tax Reduction, greater than £50, then their Council Tax liability would be reduced by £50.

- Where a taxpayer's liability for 2025/26 is, following the application of Council Tax Reduction, less than £50, then their Council Tax liability would be reduced to nil.

- Where a taxpayer's liability for 2025/26 is nil, following the application of Council Tax Reduction, then no reduction to the Council Tax bill will be available.

1.5 There will be no need for any recipient of CTR to make a separate claim for a reduction under this scheme. The Council will assess who is eligible for support and automatically apply the further reduction to those council taxpayers accounts, issuing a new Council Tax bill.

1.6 This scheme is to be wholly funded by Mid Suffolk District Council.

APPENDIX K: GLOSSARY OF FINANCIAL TERMS

Autumn Statement	A statement made by the Chancellor of the Exchequer in which she updates the House of Commons on the state of the economy and announces tax and spending decisions.
Balanced Budget	A budget where forecast income is equal to forecast expenditure. The Council has to legally set a balanced budget under the provisions of the Local Government Finance Act 1992 (LGFA 1992.
Base Budget	The budget from the previous year is sometimes taken forward to create the initial budget for the next year before inflation and other adjustments such as budget pressures and savings are added/deducted. This is called Incremental Budgeting. Other budgets, such as the financing charges budgets, however, are reviewed afresh each year (known as Zero Based Budgeting).
Billing Authority	The tier of local authority who is responsible for the billing and collection of Council Tax and Business Rates in its local area - this Council is a billing authority.
Budget	The Council's aims and policies set out in financial terms, against which performance is measured. Both capital and revenue budgets are prepared each financial year as part of the annual Council Tax setting process. The budget, once approved, is an instrument of delegation which is used to authorise, monitor and control expenditure (and income). Legally every Council must set a budget by the 11th of March preceding the new financial year.
Budget Gap	Where the estimated expenditure is higher than the estimated income in a budget, there is said to be a "'budget gap"' or "budget deficit".
Budget Surplus	Where the forecast estimated income is higher than estimated expenditure.
Business Rates	Also known as National Non-Domestic Rates - they are taxes to help pay for local services. They're charged on most non-domestic properties including shops, pubs, offices and factories. Business Rates are set nationally by government.
Business Rates Baseline Funding Level	The amount of Business Rates income the Government believes a local authority needs to deliver local services as determined by an index-linked assessment of their needs undertaken in 2012–13.
Business Rates Reset	This is the mechanism by which the Government will redistribute Business Rates growth retained by some councils back into the Business Rates system so that it can top-up resources for councils that have higher needs and less ability to raise income. This likely to have a significant impact on the Business Rates income retained by this Council. The Business Rates Reset will be introduced in 2026/27. At the moment we do not know the full details and whether there will be transition arrangements to limit the impact falling on councils in one financial year.
Business Rates Multiplier	The annual amount established by central government used in the calculation of the Business Rates bill. This amount is multiplied by the businesses rateable value to derive the size of the Business Rates bill for the year.

Business Rates Pool	An agreement between neighbouring councils to combine their Business Rates activities in a pool. This is designed to maximise the ability for councils to retain more Business Rates locally rather than it going to central government to redistribute to other councils. This Council is part of the Suffolk Business Rates Pool.
Business Rates Tariff	A local authority must pay a levy (tariff) if its individual Business Rates forecast is greater than its baseline funding level. Conversely a local authority will receive a Business Rates Top-Up if its baseline funding level is lower than its Business Rates forecast income. District Councils such as this Council are normally Tariff Authorities and County Councils such as Suffolk County Council are Top-Up Authorities.
Capital Expenditure	Expenditure on assets that have a lasting value such as the acquisition of a fixed asset (e.g. land, buildings, vehicles), or expenditure which adds to and not merely maintains the value of an existing fixed asset. This can also include indirect capital expenditure in the form of grants or loans to other persons or bodies.
Capital Financing	Capital expenditure is financed by borrowing (principally from the PWLB), Government grants, external contributions, reserves, direct revenue funding, and capital receipts. The revenue budget bears the cost of direct revenue funding (called Revenue Contributions to Capital Outlay (RCCO)) together with interest charges and the provision (MRP costs) for repayments of any borrowing undertaken.
Capital Programme	This provides details on the planned expenditure on capital projects over the medium-term planning horizon, and the resources available to fund those schemes. This Council has a programme that comprises a capital budget, which consists of projects that have authorisation to proceed, and a pipeline of future projects in a capital ambition programme which require Cabinet to approve a Business Case before the expenditure is authorised.
Capital Receipts	Sums of money obtained from the sale of assets such as land and property. These receipts can normally only be used to fund items of a capital nature. However, councils can use the Government's capitalisation directive to fund transformation and redundancy costs, which are revenue budget costs, from capital receipts.
CIPFA	The Chartered Institute of Public Finance and Accountancy - the accountancy body primarily concerned with public services which sets out many standards and requirements for local authority accounting and treasury and financial management.
Community Infrastructure Levy (CIL)	A planning charge based on legislation that came into force in April 2010. A CIL allows the Council to raise contributions from new developments to help pay for infrastructure that is needed to support planning growth. Where a CIL charging schedule is in place, it largely replaces Section 106 obligations in delivering strategic infrastructure.
Comprehensive Spending Review	A governmental process carried out by HM Treasury to set medium term expenditure limits for each central government

	department. Usually announced for 3 years. The next one will be undertaken in Spring 2025.
Collection Fund	A separate, statutory, account maintained by Billing Authorities including this Council into which Council Tax and Business Rates receipts are paid, and from which Precepting Authorities are paid.
Core Spending Power	This is the term the Government use to say how much money Councils have to run their services. It's a headline figure used by the Government to represent the key revenue resources available to local authorities, including an estimate of potential Council Tax and Business Rates income.
Council Tax	a local tax on domestic properties set by local authorities and based on the value of the property within eight bands, A to H. The Council Tax value of each band is expressed as a proportion of band D.
Council Tax Base	The number of properties in a local authority area from which it is estimated Council Tax will be collected, expressed as the number of equivalent Band D properties using pre-set ratios. The tax base can increase by building new homes.
Council Tax Requirement	The amount of funding required to be raised from Council Tax to meet the expenditure plans of the authority after taking into account all other funding sources such as Business Rates income.
Council Tax Reduction Scheme	The scheme provides a discount on Council Tax for those on low incomes. If Council Tax payers are eligible for support their council tax bills are reduced.
Council Tax Surplus or Deficit	A surplus/deficit arising from either more or less council tax being collected than expected. This would be because of variations in collection rate or to the estimated increase in the number of properties. The variations arise within the Collection Fund and are applied to future years' budgets.
Council Tax Threshold	The increase in Council Tax permitted by central government before a local referendum is needed to agree an increase above this level.
Disabled Facilities Grant (DFG)	A central government grant that contributes towards the cost of providing adaptations and facilities to enable disabled people to continue living in their own homes.
Earmarked Reserves	These are amounts of money which have been set aside for a specific purpose to meet future spending plans or contingencies.
Expected Credit Loss (ECL)	This is the loss on loans should the borrower default, including lending made to the Council's subsidiary companies. Calculated by multiplying the probability of occurring with the net loss and with the exposure to the loss.
External Borrowing	External borrowing is the process of going to an external financial institution to obtain money. The council would generally borrow from the Public Works Loans Board (PWLB) due to its favourable rates for public sector bodies, but other institutions also offer loan finance to councils.
Fair Funding Review	A review proposed by central government to consider how to fairly allocate local authority funding to individual councils according to need and resources. This was considered by the

	previous government but has been delayed several times because of BREXIT, COVID-19 and other concerns. The new government has recently announced that it will undertake such a review for implementation in 2026/27. However the details of this are not yet known.
Fees and Charges	Income raised by charging users of services directly for services used e.g. car parking income, planning income. Some of the fees, including certain planning fees, are currently set by central government.
General Fund (GF)	The council's main revenue and capital accounts which includes income and expenditure on the provision of all the council's services except the provision of social housing which is in a separate statutory account (the Housing Revenue Account).
General Fund Balance	The amount the Council has available to fund unforeseen events.
Housing Revenue Account (HRA)	The HRA is a ring-fenced accountant that must be kept separate from the General Fund. It relates to the Council's function as a social landlord and is ring- fenced to avoid cross subsidy between Council Taxpayers and rents from tenants.
Internal Borrowing	Internal borrowing is the temporary use of the council's cash holdings to fund capital expenditure. Whilst this must be repaid it does not represent a formal debt in the same way as external borrowing.
Item 8	These are statutory recharges between the General Fund and the HRA in respect of interest charges on internal borrowing by the HRA from the General Fund, and interest receipt on internal lending by the HRA to the General Fund.
Local Government Finance Settlement	The annual announcement by Government of the amount of grant funding to be provided for the forthcoming year. The provisional settlement is usually announced in December, with a final settlement confirmed in late January.
Medium Term Financial Position (MTFP)	This sets out the forecast of the Council's financial position over a five-year planning horizon.
Minimum Revenue Provision (MRP)	Where councils finance their capital expenditure by debt, they must put aside resources to repay that debt in later years. This is known as MRP and the Local Government Act 2003 requires the councils to have regard to the Ministry of Housing, Communities & Local Government's guidance on Minimum Revenue Provision which was updated in April 2924 to include MRP on capital loans lent to by councils to third parties, such as subsidiary companies. MRP is charged. This Council's policy is that MRP will be determined by charging the expenditure financed by borrowing over the expected useful life of the asset on an annuity basis using an interest rate equivalent to the average PWLB annuity rate for the year of expenditure. MRP charges start in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

Ministry of Housing, Communities and Local Government	A government department whose work includes investing in local areas to drive growth and create jobs, delivering homes, supporting community and faith groups, and overseeing local government, planning and building safety.
NNDR 1	National non-domestic rates estimate return to Government – completed in January.
Negative RSG	Negative Revenue Support Grant – this is effectively negative government grant where a council would have to make a payment to Government hence the term 'negative'. The previous government's Fair Funding methodology included such a scenario.
New Homes Bonus (NHB)	A central government grant and was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The amount of grant given is based on the number of new homes built in the council's area. Government have stated that this grant will finish in 2025/26 as a source of finance.
Office of Budget Responsibility (OBR)	A non-departmental public body funded by the UK Treasury, that the UK government established to provide independent economic forecasts and independent analysis of the public finances.
Pooled Investments	These are investments in a portfolio, made up of monies from many individual investors, which is managed by an external provider.
Precept	The levy made by the precepting authorities, i.e. the county council, parish councils, fire and police, on billing authorities, requiring the latter to collect income from local taxpayers on their behalf.
Prudential Code	this is a code of practice agreed between Government and CIPFA that regulates local council capital spending and financing. The Code allows local authorities to set their own borrowing limits based upon the consideration of affordability, sustainability and prudence.
Prudential borrowing	Is a regime for council borrowing that allows local authorities to borrow without recourse to central government. Councils must demonstrate that they can afford to service the debt from their own resources by means of a set of financial ratios (as prescribed by the CIPFA Prudential Code).
Public Works Loans Board (PWLB)	A statutory body operating within the United Kingdom Debt Management Office, which is an Executive Agency of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.
Revenue Expenditure	Comprises the day-to-day costs associated with running the Council's services and financing the Council's outstanding debt. The costs include staff salaries, contract expenditure, and general running expenses (heat, light and utilities).
Revenue Contribution to Capital Outlay (RCCO)	This is where the cost of financing capital expenditure is charged to the revenue budget.
Revenue support grant (RSG)	General grant that is paid to local authorities by the government to support their expenditure.

Rural Services Delivery Grant (RSDG)	This is Government grant introduced to recognise the additional cost of delivering services in rural areas. Rural Services Delivery Grant has been abolished by the new government for 2025/26 onwards.
Section 151 (S151) Officer	The responsible financial officer. Every council, by law will designate an individual officer as having legal responsibility over providing effective financial management and advice across the Council. The post holder must be a qualified member of one of the main accountancy bodies in the UK. This is currently the Director of Finance & Procurement.
Section 25 Statement	The Local Government Act 2003 (Section 25) requires that when a local authority is agreeing its annual budget and Council Tax requirements, the Council's Section 151 officer must report to it on the robustness of the estimates made for the purposes of the calculations; and the adequacy of the proposed financial reserves. The Council must have due regard to the report when making decisions on the budget and Council Tax.
Section 31 Grants	The government fully reimburses billing authorities for their loss of Business Rates income under the rates retention scheme when government decides to award Business Rates relief, using a grant under section 31 of the Local Government Act 2003.
Section 106	Sums of money received from developers. Subject to each S106 agreement, these sums can be used for either revenue or capital purposes but are predominantly capital purposes.
Total Net Cost of Services	Comprises that part of the revenue budget that is funded from retained Business Rates, Council Tax, and any government general grant.
Treasury Management	The management of the local authority's investments and cash flows, its banking, money market and capital market transactions: the effective control of the risks associated with those activities: and the pursuit of the optimum performance consistent with those risks.
Treasury Management Code	This Code of Practice, published by CIPFA, regulates the management of borrowing, investments, & banking. It requires the council to agree and monitor several indicators and Treasury Management Practices. An annual Treasury Management Strategy needs to be approved by Council alongside the budget.