

Council Tax Increase Scenarios

The purpose of this ready-reckoner is to set out how either the shortfall in resources to deliver a balanced MTF5 or the additional capacity available to Members to increase spending and/or remove savings options changes as different decisions are made in relation to Council Tax increases. All of the options shown are for illustrative purposes. The annual increase in the Council Tax will remain a decision for Members.

	2024/25	2025/26	2026/27	2027/28	2028/29
Basis of Corporate Boards Proposals					
Council Tax increase	4.99%	2%	2%	2%	2%
Annual increase in Council Tax (£/Band D)	82.62	34.65	35.37	36.09	36.81

The first four options shown below do not deliver a balanced 2024/25 budget and 2024-29 MTF5 without additional budget reductions or resources being identified.

	2024/25	2025/26	2026/27	2027/28	2028/29
Option 1: Council Tax increase as per MTF5 February 2023					
Council Tax increase	3%	2%	2%	2%	2%
Annual increase in Council Tax (£/Band D)	49.59	34.02	34.65	35.37	36.09
Cumulative additional savings/resources that would need to be identified	£7.363m	£7.646m	£7.966m	£8.295m	£8.635m
Option 2: 3.5% council tax increase in 2024/25, 2% thereafter					
Council Tax increase	3.5%	2%	2%	2%	2%
Annual increase in Council Tax (£/Band D)	57.87	34.20	34.83	35.55	36.27
Cumulative additional savings/resources that would need to be identified	£5.517m	£5.724m	£5.964m	£6.211m	£6.465m
Option 3: 4.0% council tax increase in 2024/25, 2% thereafter					
Council Tax increase	4%	2%	2%	2%	2%
Annual increase in Council Tax (£/Band D)	66.06	34.38	35.01	35.73	36.45
Cumulative additional savings/resources that would need to be identified	£3.692m	£3.823m	£3.983m	£4.148m	£4.317m
Option 4: 4.5% council tax increase in 2024/25, 2% thereafter					
Council Tax increase	4.5%	2%	2%	2%	2%
Annual increase in Council Tax (£/Band D)	74.34	34.47	35.19	35.91	36.63
Cumulative additional savings/resources that would need to be identified	£1.846m	£1.922m	£2.002m	£2.084m	£2.170m

The remaining six options all start from having a balanced budget for 2024/25 without the need to identify additional savings. They then show how Council Tax increases above 2% in the years 2025/26 to 2028/29 would give Members the financial capacity to either remove savings options or invest in priorities. There is a risk that using additional Council Tax now will reduce any future flexibility if demand and cost increases continue to increase as they have over the last two years. It should be noted that in any year the Council Tax increase is above 3% this is assumed to be additional adult social care levy and to take this level of council tax increase will in some cases mean additional investment in adult social care. The cumulative additional resources figures shown have been adjusted to reflect that the use of the additional resources in these cases would not wholly be a choice for Members.

	2024/25	2025/26	2026/27	2027/28	2028/29
Option 5: 5% council tax increase in 2024/25, 2.5% thereafter					
Council Tax increase	5%	2.5%	2.5%	2.5%	2.5%
Annual increase in Council Tax (£/Band D)	82.62	43.38	44.46	45.54	46.71
Cumulative additional resources available for investment	-	£1.983m	£4.129m	£6.445m	£8.960m
Option 6: 5% council tax increase in 2024/25, 3% thereafter					
Council Tax increase	5%	3%	3%	3%	3%
Annual increase in Council Tax (£/Band D)	82.62	52.02	53.55	55.17	56.80
Cumulative additional resources available for investment	-	£3.946m	£8.237m	£12.911m	£17.988m
Option 7: 5% council tax increase in 2024/25, 3.5% thereafter					
Council Tax increase	5%	3.5%	3.5%	3.5%	3.5%
Annual increase in Council Tax (£/Band D)	82.62	60.75	62.82	65.07	67.32
Cumulative additional resources available for investment	-	£5.929m	£12.408m	£19.505m	£27.250m
Option 8: 5% council tax increase in 2024/25, 4% thereafter					
Council Tax increase	5%	4%	4%	4%	4%
Annual increase in Council Tax (£/Band D)	82.62	69.39	72.18	75.06	78.03
Cumulative additional resources available for investment	-	£6.435m	£16.524m	£26.120m	£36.579m
Option 9: 5% council tax increase in 2024/25, 4.5% thereafter					
Council Tax increase	5%	4.5%	4.5%	4.5%	4.5%
Annual increase in Council Tax (£/Band D)	82.62	78.03	81.63	85.23	89.10
Cumulative additional resources available for investment	-	£6.435m	£18.486m	£31.032m	£44.640m

Option 10: 5% council tax increase in 2024/25, 5% thereafter					
Council Tax increase	5%	5%	5%	5%	5%
Annual increase in Council Tax (£/Band D)	82.62	86.76	91.08	95.67	100.44
Cumulative additional resources available for investment	-	£6.435m	£20.489m	£35.244m	£51.404m