Appendix 4 - Service Growth 2025/26 to 2028/29

1. **Summary**

1.1 The budget assumes estimated growth over the planning period of 2025/26 to 2028/29. It is based on service demand profiles and known pressures in the current financial year (2024/25), that are expected will continue into future financial years.

1.2 Assumptions for growth for future financial years will be subject to review through the annual budget refresh process.

1.3 The service growth is summarised in Table 1 below, and totals £14.304m in 2025/26, £9.167m in 2026/27, £8.238m in 2027/28 and £8.179m in 2028/29.

Table 1: Total Service Growth 2025/26-2028/29

Growth Ref	Directorate	Growth Description	Growth 25/26 - 28/29 £'000				
			Growth 25/26 £'000	Growth 26/27 £'000	Growth 27/28 £'000	Growth 28/29 £'000	Total Growth 25/26- 28/29 £'000
PLA_GRO_01	Place	Waste Collection due to increase in number of households	£137	£139	£142	£145	**£563**
PLA_GRO_01	Place	Waste Disposal Costs due to increase in number of households	£30	£31	£31	£32	**£124**
PLA_GRO_01	Place	Waste Disposal Costs - Contract reprocurement and contract inflation	£820	£836	£853	£870	**£3,380**
PLA_GRO_02	Place	Temporary Accomodation net growth in households	£6,035	£3,114	£1,879	£1,879	**£12,907**
AHS_GRO_01	Adult Social Care & Health	ASC Demography - ASC Placements 80+	£153	£458	£763	£763	**£2,137**
AHS_GRO_02	Adult Social Care & Health	ASC Transitions - Children turning 18 in 25/26	£370	£511	£511	£511	**£1,903**
AHS_GRO_03	Adult Social Care & Health	ASC external providers inflation - CPI	£758	£758	£758	£758	**£3,032**
AHS_GRO_03	Adult Social Care & Health	ASC external providers inflation - National Living Wage	£1,922	£1,922	£1,922	£1,922	**£7,688**
CS_GRO_01	Children's Services	Children's Placement - Growth and Budget Adjustment	£2,129	-	-	-	**£2,129**
CS_GRO_01	Children's Services	Children's Placement - Inflation	£1,086	£971	£1,015	£1,061	**£4,133**
CS_GRO_02	Children's Services	Home to School Transport - Growth	£313	£292	£186	£65	**£856**
CS_GRO_02	Children's Services	Home to School Transport - Inflation	£0	£68	£124	£130	**£322**
CS_GRO_03	Children's Services	DSG Reduction in Central Schools Service Block (CSSB) Grant	£84	£67	£54	£43	**£248**
COR_GRO_01	Corporate Services	ICT Contracts - Inflation 25/26	£243	-	-	-	**£243**
COR_GRO_01	Corporate Services	ICT Contracts - Inflation rebasing budget 24/25	£224	-	-	-	**£224**
Total Service Growth			**£14,304**	**£9,167**	**£8,238**	**£8,179**	**£39,889**

2. Place Directorate Growth

2.1 The key pressure areas for the Place Directorate are Waste Services and Temporary Accommodation. The total growth request for waste services is £4.067m over the period of the MTFS, and £12.907m for temporary accommodation.

2.2 Increases in **waste demographics and collection costs** have been modelled for 2025/26 budget setting. The total projected impact of increased waste costs (including collection, disposal, and inflation) in 2025/26 has been estimated at £0.987m. An inflation uplift of 2% has been applied per annum, to arrive at the growth assumptions for 2026/27 to 2028/29, based on current modelling (as shown in Table 2).

2.3 Local authorities are increasingly required to increase their budgets for waste collection and disposal due to growing waste volumes, evolving legislation, and rising operational costs. Household waste in England amounted to 23.1 million tonnes in 2021, 84% of the total UK household waste of 27.7 million tonnes. Population growth, increased consumption, and the introduction of more complex waste streams, such as electronic waste and packaging and specialised disposal methods, have placed further pressures on budgets, as has additional compliance with stringent environmental regulations, such as the drive towards reducing landfill waste, and increasing recycling rates, which forces Councils to invest in updated infrastructure and technologies.

2.4 In Thurrock, household waste tonnages have mirrored national trends, with the borough collecting approximately 87,000 tonnes of waste in 2020/21, a 2.7% increase from the previous year. As the population grows, currently around 180,500 residents, waste volumes are expected to continue rising by 1-2% annually.

Table 2: Total Waste Demographic and Collection Cost Growth

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) Place - Street, Scene & Leisure	**£19,605**	£987	£1,006	£1,027	£1,047	**£4,067**

2.5 The modelling of the growth calculations for 2025/26, include the variables below: -

- Inflation (for those contracts due to be re-procured and inflation on existing contracts)
- Changes to tonnages (impacting on waste collection and disposal costs)
- Changes to cost per tonne (including the costs of staff wage increases)
- The building of new homes in the borough (which results in additional waste collection and disposal costs) linked to the indicative pipeline of properties expected through the Local Plan.

2.6 Growth calculations for 2026/27 onwards assume an inflationary impact of 2% and will be revised during the annual budget process. No assumptions for increases in the numbers of tonnage and household numbers has currently been allowed for. The split of the estimated growth between the areas listed in 2.5 above, is shown in Table 3.

Table 3: Waste Demographic and Collection Growth breakdown

Waste Collection/Disposal Growth Area	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Waste Collection - from Housing Growth	£136,500	£139,230	£142,015	£144,855	**£562,600**
Waste Disposal - from Housing Growth	£30,037	£30,638	£31,251	£31,876	**£123,802**
Waste Disposal - contract re-procurement and inflationary growth	£819,821	£836,218	£852,942	£870,001	**£3,378,982**
Total Waste Growth	**£986,359**	**£1,006,086**	**£1,026,208**	**£1,046,732**	**£4,065,384**

2.7 Whilst **Temporary Accommodation** numbers remained static throughout 2021 to 2023, a significant upward trend commenced in 2023/24 and has quickened pace during the first half of 2024/25. The most significant risk on the housing general fund is centred around the demand for temporary accommodation placements. This includes finding accommodation solutions for vulnerable people and is a demand-led service.

Appendix 4 - Service Growth 2025/26 to 2028/29

2.8 Significant investment has been made into the service to find alternative accommodation solutions such as bed and breakfast, and then to offer people furnished lettings within the Councils own stock as an alternative to privately owned nightly lets. The average cost of a nightly let annually is approx. £11,000 compared to furnished lettings at approx. £3,300. The ongoing utilisation of the councils existing stock is one of the few ways in which the department is able to reduce costs in the face of rising demand. It also offers a better solution to people that are in need of temporary accommodation. However, the Furnished Let stock has been at full capacity since Nov 2023 resulting in further reliance on nightly let placements.

2.9 The requirement for temporary accommodation does remain a significant risk for the department and the Council as a whole. There are many contributing factors to the rising numbers of people facing potential homelessness including mental health issues, substance abuse, domestic violence, as well as people experiencing financial hardship in the current economic climate. This often involves dealing with some of the most vulnerable people within the borough. The temporary accommodation budget is also intrinsically linked to the long-term housing solutions. The financial costs associated with this area are also about moving people out of TA into permanent Council owned tenancies or the private housing sector, for which the department funds incentives to private landlords.

2.10 At the end of quarter 2 2024/25, temporary accommodation is showing a projected net forecast expenditure of £3.775m against a budget of £1.332m, which is £2.443m over budget. This is due to the budget being set on the historic numbers of households and prior to this sudden increase.

2.11 The number of overall cases grew significantly during 2023-24, especially in the last quarter, with nightly lets averaging 183 placements between January and March 2024, compared to an average of 122 for the first 9 months of the year. The start of 2024-25 has seen a further rise in nightly let placements in the first quarter, with an average increase of 19 net extra placements per month. The forecast for the remainder of the year is now assumed at an extra 23 placements per month, as shown in Table 4 below.

Table 4: Temporary Accommodation placement numbers 2024/25

TA types - 24-25	Apr - Actual	May - Actual	Jun - Actual	Jul - Actual	Aug - Actual	Sept - Actual	Oct - Estimate	Nov - Estimate	Dec - Estimate	Jan - Estimate	Feb - Estimate	Mar - Estimate	Annual average
B&B's	11	9	7	9	10	14	*14*	*14*	*14*	*14*	*14*	*14*	12
Nightly Lets	216	235	252	270	304	320	*343*	*366*	*389*	*412*	*435*	*458*	333
Furnished Lets	204	206	205	205	205	204	*204*	*204*	*204*	*204*	*204*	*204*	204
Charles Street Hostel	31	31	31	30	30	30	*30*	*30*	*30*	*30*	*30*	*30*	30
Brook House Hostel	10	10	10	10	10	10	*10*	*10*	*10*	*10*	*10*	*10*	10
Clarence Road Hostels	0	0	0	0	0	0	*0*	*0*	*0*	*0*	*0*	*0*	0
Total	**472**	**491**	**505**	**524**	**559**	**578**	***601***	***624***	***647***	***670***	***693***	***716***	**590**
Actual/Assumed increase on previous month		19	14	19	35	19	23	23	23	23	23	23	

2.12 The Growth for 2025/26, shown in the table 9 below, assumes that the average for the following financial years will be 25 net extra placements per month (the mid-range) and is only based on demand increases, with no assumptions for any growth in the costs of temporary accommodation provision. The growth allows for the existing budget to be rebased up to the current demand levels as it was originally set based on historic numbers. Growth for 2026/27 and 2027/28 then assumes an increase of 25 net extra placements per month (the mid-range), as shown in Table 5 below.

Appendix 4 - Service Growth 2025/26 to 2028/29

Table 5: Total Temporary Accommodation Growth

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) Place - Homelessness Temporary Accommodation	-£478	£6,035	£3,114	£1,879	£1,879	**£12,907**

Current Credit Budget shown in table above is due to a budget adjustment that is being processed

2.13 With the increasing demand pressures being faced in this area, there is an inherent risk in using the mid-range scenario. The financial impact of modelling using the high (an average of 30 net placement increases per month) and low (an average of 20 net placement increases per month) range scenarios are shown in Table 6. The assumed additional budget in 2025/26 to rebase the budget to current temporary accommodation numbers is still included in the growth assumptions.

Table 6: Financial Modelling of Temporary Accommodation Scenarios

TA Nightly Let Placements Growth Assumption	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
High - 30 net placements extra per month	£6,423	£3,832	£2,597	£2,597	**£15,450**
Middle - 25 net placements extra per month	£6,035	£3,114	£1,879	£1,879	**£12,907**
Low - 20 net placements extra per month	£5,647	£2,396	£1,160	£1,160	**£10,363**

2.14 The growth assumption for 2028/29 has been assumed at the same levels as 2027/28 until further data is available.

2.15 In December 2024, the Homelessness Prevention Grant announced for 2025/26 was larger than expected and has now been built into growth assumptions. Crucially, over the lifetime of the current Parliament, it is assumed that this grant continues at this enlarged quantum of £1.7m. However, the future grant funding is a risk factor.

2.16 Whilst there is high inflationary pressure on the nightly cost of placements, no growth is included as part of this growth bid. Current negotiations are being undertaken in an attempt to curb nightly rates charged by providers. Further analysis will inform any updates to growth assumptions and whether further increases in growth may be required.

Appendix 4 - Service Growth 2025/26 to 2028/29

3. Adult Social Care & Health Growth

3.1 Adult Social Care **Demographic Growth** is to address the expected increase in the 80+ population in Thurrock who will require care and support services from the Council. The population growth estimates come from POPPI (Projecting Older People Population Projection),[1] a database from the Institute of Public Care and Oxford Brookes University, which provides population data, for each Local Authority.

3.2 Table 7 provides the estimated Adult Social Care demographic growth for the 80+ Older People population, and the cost based on current unit prices. Further pressures due to increasing complexity of caseloads has not been built into the growth bid and has been assumed will be met from within existing budgets. Growth for 2028/29 will be revisited when population growth figures are confirmed nearer the time and is currently assumed as the 2027/28 growth amount.

Table 7: ASC Demographic Growth Older People 80+

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) Older People Services & Thurrock Care at Home	**£10,997**	£153	£458	£763	£763	**£2,137**
% Population Growth 80+	**2025**	**2026**	**2027**	**2028**	**2029**	
% Growth in 80+ Population Thurrock ASC (Source: Poppi)	2%	6%	13%	14%	21%	

3.3 The growth for Young People **Transitioning** from Children's Services to Adult Social Care on turning 18, is based on the current known 18 young people who are known to be transitioning part-way through 2025/26, as shown in Table 8. Part-year care and support costs have been included in the growth bid for 2025/26, with full-year costs for the future years. Other young people who will be transitioning but are deemed with not require adult social care support, do not form part of this growth bid.

Table 8: Young People Transitioning to Adults when 18 Growth

Financial Impact:	Current Net Budget 2024-25	Growth 2025-26	Growth 2026-27	Growth 2027-28	Growth 2028-29	Total Growth
Net Budget (£000) Transitions	**£11,809**	£370	£511	£511	£511	**£1,903**

[1] Projecting Older People Population Information System

3.4 Growth for 2027/28 and 2028/29 have been assumed at the 2026/27 figures for until the cohorts of children transitioning are known for those financial years.

3.5 External providers of Adult Social Care services experience growing costs each year depending on the Consumer Prices Index (CPI), estimated at 2.5%, and National Living Wage (NLW), expected to be between 4.8% and 8.3%[2]. Any increases in NLW paid to providers, via increased care costs, are expected to be passed onto their employees e.g. homecare workers.

3.6 Table 9 shows the split between the growth estimate for CPI (at 2.5%) and NLW (where 4.8% has been used for the growth bid). Growth for 2026/27-2028/29 have been assumed at the same levels until the percentage uplifts are confirmed.

Table 9: ASC Contract Inflation External Provision

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) Commissioned Contracts - Inflation (CPI) 2.5%	**£29,169**	£758	£758	£758	£758	**£3,032**
Net Budget (£000) Commissioned Contracts - National Living Wage 4.8%		£1,922	£1,922	£1,922	£1,922	**£7,688**
Total	**£29,169**	**£2,680**	**£2,680**	**£2,680**	**£2,680**	**£10,720**

4. Children's Services Growth

4.1 The appropriate placement of children and young people is a statutory requirement based on the individual needs of each child. Increased complexity of cases is contributing to increased costs, and at Period 8 (November 2024) of the current financial year, the projected outturn shows a shortfall of £2.129 m on the Children's Social Care placements budget. The growth for Children's Services **Placement Growth** is based on current long-term projections for placement numbers by placement types.

4.2 Different **inflation** factors apply to the various sectors in the placement budgets. For external placements a 5% inflationary uplift has been included, for internal fostering the uplift is estimated at 3%. All other placements have been factored at a 3% inflationary uplift.

4.3 The growth request for Children's Services placement budgets reflects both a one-off financial requirement to increase the budget in 2025/26, and an ongoing inflationary uplift requirement, as seen in Table 10.

[2] As per discussions at ADASS (Association of Directors of Adult Social Services) finance meetings

Appendix 4 - Service Growth 2025/26 to 2028/29

Table 10: Children's Services Placement and Inflation Growth

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) Children's Services Placement Budget - Growth & Budget Adjustment	**£19,383**	£2,129				**£2,129**
Net Budget (£000) Children's Services Placement Budget - Inflation		£1,086	£971	£1,015	£1,061	**£4,133**
Total	**£19,383**	**£3,215**	**£971**	**£1,015**	**£1,061**	**£6,262**

4.4 Increased demand for Education, Health, and Care Plans (EHCP's) is having a direct impact on the requirement for **Home to School Transport**. Pupil population growth is estimated at 8% per annum on average, with the current growth in EHCP's at 7% per annum on average. There is a 50% link to the growth in EHCP's and Home to School Transport.

4.5 In 2025/26, the growth requirement has been estimated at 5% requiring investment of £0.313m, with a further 5% increase in 2026/27. Based on estimated numbers, the percentage increase reduces to 3% in 2027/28 and 1% in 2028/29. This reflects current EHCP projections as agreed as part of the Delivering Better Value in SEND programme, which is aimed to deliver sustainable solutions to the management of the Dedicated Schools Grant (DSG).

4.6 The new Home to School Transport contracts include inflationary uplifts for 2 financial years from September 2024, and therefore no inflation growth is required until mid-year 2026/27.

4.7 The Home to School Transport Growth, for both elements of growth in numbers, as well as inflationary uplifts, is shown in Table 11.

Table 11: Home to School Transport Growth

Appendix 4 - Service Growth 2025/26 to 2028/29

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) Home to School Transport - Growth in Numbers	£6,266	£313	£292	£186	£65	**£856**
Estimated % growth		5%	5%	3%	1%	**Average =4%**
Net Budget (£000) Home to School Transport - Inflation		£0	£68	£124	£130	**£322**
Estimated % Inflation		2.6%	2%	2%	2%	**Average =2%**
Total	**£6,266**	**£313**	**£360**	**£310**	**£195**	**£1,178**

4.8 The Central Schools Service Block (CSSB) of the **Dedicated Schools Grant (DSG)** provides funding to the Local Authority to carry out central functions on behalf of maintained schools and academies, comprising of two elements: ongoing responsibilities and historic commitments.

4.9 The Department for Education (DfE) has reduced the element of funding within the CSSB that LAs receive for historic commitments made prior to 2013/14. The annual reduction of 20% to be made in 2025/26 equates to £0.084m, with ongoing requirements in future years of the MTFS, as shown in Table 12. The additional income has benefited the Council since 2012, with no corresponding impact on levels of expenditure, however, this impact now requires a growth bid to cover this shortfall.

Table 12: DSG Central Schools Service Block (CSSB) Growth

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) DSG reduction Central Schools Service Block (CSSB)	**£105**	£84	£67	£54	£43	**£248**

5. Corporate Services Growth

5.1 An in-depth review has taken place of all ICT licences and contracts to confirm which have been subject to an inflationary uplift during 2024/25 and 2025/26. A growth bid is being applied to correct the aspect of the inflationary uplifts for 2024/25 that was not applied to the budget for 45 licence/contracts.

5.2 Only inflationary uplift growth has been requested for 2025/26. Due to the Council's Digital Transformation programme that is currently in progress, rationalisation of systems will hopefully result in reduced licence/contract costs from 2026/27. Until plans are confirmed for the future system licences/contracts that will be required and therefore renewed, future growth has not been included at this stage.

Appendix 4 - Service Growth 2025/26 to 2028/29

5.3 The total ICT contract inflation growth is shown in Table 13.

Table 13: Corporate Services ICT Contract Inflation

Financial Impact:	Current Net Budget 2024-25 £'000	Growth 2025-26 £'000	Growth 2026-27 £'000	Growth 2027-28 £'000	Growth 2028-29 £'000	Total Growth £'000
Net Budget (£000) Corporate Services ICT - Contract Inflation 25/26	£3,357	£243				£243
Net Budget (£000) Corporate Services ICT - Contract Inflation 24/25 to rebase budget		£224				£224
Total	£3,357	£467	£0	£0	£0	£467