

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE & INCOME 2011-15**

| Factor | Assumption |
|---------------------------------|--|
| Resources | |
| Council Tax base | Council Tax base for 2011-12 approved by Council 27 January 2011 No growth in Council Tax base in 2012-13; 0.5% growth 2013-14 & 2014-15 |
| Council Tax | 2011-12 to be approved by Council 22 February 2011 2012-13, 2013-14 and 2014-15 assumed 3% increase |
| Council Tax collection | 99% collected |
| Government Grants | Government grants for 2011-12 & 2012-13 as indicated in 2 year settlement, confirmed December 2010 |
| | Reduction in Formula Grant of 12.1% in 2011-12, 4.7% in 2012-13, 1.3% in 2013-14 & 6.3% in 2014-15 as indicated in CSR October 2010 |
| | Reduction in specific grants and Area Based Grants as indicated in the Settlement confirmed in December 2010. |
| | Dedicated Schools Grant (DSG) 0% increase in 2012-13, 2013-14 & 2014-15, increased by previous specific grants now included in DSG as per Settlement December 2010 |
| Expenditure | |
| Pay inflation | 2011-12, 2012-13 0.0%; 2013-14 & 2014-15 1.5%. |
| Price inflation | Only contractual inflation on running costs |
| Local Government Pension Scheme | Employers contributions 18.5% of pensionable pay – the current rate |
| National Insurance | 1% increase from April 2011 (Pre Budget Report 9th December 2009) |
| Financing Costs | |
| Interest rates payable | Average rate on existing debt 2011-12, 3.49%; 2012-13, 3.91%; 2013-14, 4.49%; 2014-15, 4.87% |
| Interest rates payable | 2011-12 5.3%, 2012-13 5.5%, 2013-14 5.6% & 2014-15 5.6% |
| Interest rates receivable | 2011-12, 1.4%; 2012-13, 2.4%; 2012-13 3.45% & 2014-15, 4.35%. |
| New Borrowing | £1M per capital expenditure financed by prudential borrowing for 2011-12 only |
| Income | |
| Inflationary increases | Various based on individual service considerations |
| Capital Receipts | No future receipts to be committed to financing capital expenditure |