

**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