

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE & INCOME 2010-14**

Factor	Assumption
Resources	
Council Tax base	Council Tax base for 2010-11 approved by Council 26 January 2010 No growth in Council Tax base in 2011-12 & 2012-13; 0.5% growth 2013-14
Council Tax	2010-11 to be approved by Council 25 February 2010 2011-12 1% increase; 2012-13 and 2013-14 2% increase
Council Tax collection	99% collected
Government Grants	Government grants for 2010-11 as indicated in 3 year settlement, confirmed November 2009
	Reduction in Formula Grant of 3% each year in 2011-12, 2012-13 and 2013-14
	Reduction in specific grants and Area Based Grants of 3% each year in 2011-12, 2012-13 and 2013-14
	Dedicated Schools Grant 2% increase in 2011-12, 2012-13 & 2013-14
Expenditure	
Pay inflation	2010-11 0.5%; 2011-12 1.0%; 2012-13 1.5%; 2013-14 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 2010-11, 3.63%; 2011-12, 3.84%; 2012-13, 3.85%; 2013-14, 4.07%
Interest rates payable	New debt 4.5%
Interest rates receivable	2010/11, 1.5%; 2011/12, 2.5%; 2012/13 and 2013/14, 4.8%.
Borrowing	£1M per annum capital expenditure financed by prudential borrowing
Income	
Economic forecast	Reduced income from Parking and Building Control, beginning to recover from 2011-12 as the economy improves
Inflationary increases	Various based on individual service considerations
Capital Receipts	No future receipts to be committed to financing capital expenditure