

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED RESOURCES AND
EXPENDITURES 2009-13**

Factor	Assumption
Resources	
Council Tax base	No growth in Council Tax base in 2010/11, 2011/12 & 2012/13
Council Tax base	Council Tax base for 2009/10 as per Report to Cabinet
Council Tax	Council Tax increases 3.5% in 2009/10 and 4.9% per annum thereafter.
Council Tax collection	99% collected
Government Grants	Government grants for 2010/11 as indicated in 3 year settlement
Government Grants	Increase in general government grant of 2% in 2011/12 & 2012/13
Government Grants	Direct Schools Grant 3.5% increase in 2011/12 & 2012/13
Expenditure	
Pay inflation	2.5% in 2009/10 and 2.25% per annum thereafter
	Only contractual inflation on running costs
Local Government Pension Scheme	Employers contributions 18.5% of pensionable pay – the current rate
Energy costs	Gas 15% increase from 2008-09 to 2009-10; 2.5% p.a. 2010-11 to 2012-13 Electricity 20% increase from 2008-09 to 2009-10; 5.0% p.a. 2010-11 to 2012-13
Treasury Management	
Interest rates payable	Existing debt 4.4%
Interest rates payable	New debt 4.0%
Interest rates receivable Investment 1 year rates	2009/10 – 2%; 2010/11 – 3%; 2011/12 and 2012/13 – 3.8%.
Interest rates receivable	Cash-flow interest 2009/10 1.4%, 2010/11 – 2.1%, 2011/12 – 2.8%, 2012/13 – 3.1%.
Borrowing	£1M per annum capital expenditure financed by prudential borrowing
Income	
Economic forecast	Reductions in Parking (£0.130M per annum), Planning (£0.040M p.a.), Building Services (£0.325M p.a.), Engineering (£0.484M p.a.) and sponsorship (£0.040M p.a.); no further reductions assumed
Inflationary increases	Various based on individual service considerations
Capital Receipts	No future receipts to be committed to financing capital expenditure