

APPENDIX 1

KEY ASSUMPTIONS USED IN PROJECTED RESOURCES, EXPENDITURE AND INCOME 2015-20

Factor	Assumption
Resources	
Council Tax base	Variable depending on projected additional properties.
Council Tax	1.99% increase in each year
Council Tax collection	98.5% collected
Government Grants	Government grants for 2015-16 as indicated in settlement, confirmed December 2014.
	Increase in Business Rates Scheme and Top Up Grant of 1.91% 2015-16, 2.1% 2016-17, 2.9% 2017-18, 3.4% 2018-19 & 2019-20 (projected RPI).
	Reduction in Revenue Support Grant of 28% in 2015-16, 25% in 2016/17, 28% in 2017/18, 37% in 2018/19 and 13% in 2019/20.
Expenditure	
Pay inflation	2016-17 onwards 2.0%.
Price inflation	Only contractual inflation on running costs, Members Allowances 0% increase in 2015/16
Local Government Pension Scheme	Employers contributions 18.5% of pensionable pay – the current rate
Financing Costs	
Interest rates payable	Average rate on existing debt 2015-16, 4.17%; 2016-17, 4.16%; 2017-18, 4.05%; 2018-19, 4.08%; 2019-20, 4.15%.
Interest rates payable on new debt – 10 year rate	2015-16, 3.08%; 2016-17, 3.25%; 2017-18, 4.05%; 2018-19, 4.50%; & 2019/20, 4.50%.
Interest rates receivable	2015-16, 0.60%; 2016-17, 1.25%;. 2017-18, 1.75%; 2018-19 2.25% & 2019-20 2.75%.
Income	
Inflationary increases	Various based on individual service considerations