

APPENDIX 4

KEY ASSUMPTIONS USED IN PROJECTED RESOURCES, EXPENDITURE AND INCOME 2017-21

Factor	Assumption
Resources	
Council Tax base	Variable depending on projected additional properties.
Council Tax	4.99% increase in 2017/18 & 2018/19 (including a 3% levy for Adult Social Care) and then a 1.99% increase in 2019/20 and a 3.99% increase in 2020/21 (including a 2% increase for Adult Social Care)
Council Tax collection	99% collected
Business Rates	No growth assumed with the exception of RPI of 2.0% 2017/18, 3.0% 2018/19, 3.2% 2019/20 & 2% 2020/21.
Government Grants	Government grants for 2017-18 as indicated in settlement and indicative figures for 2018/19 – 2020/21.
	Reduction in Revenue Support Grant of 32% in 2017/18, 30% in 2018/19, 44% in 2019/20 & 13% in 2020/21.
Expenditure	
Pay inflation	2017-18 onwards 1.0%.
Price inflation	Only contractual inflation on running costs
Local Government Pension Scheme	Stepped Employers contributions of 14.7% in 2017/18, 15.8% in 2018/19, 16.8% in 2019/20 and thereafter plus a lump sum payment to pension fund for Past Service Deficit of 2017/18 – 2019/20.
Financing Costs	
Interest rates payable	Average rate on existing debt 2017-18, 4.23%; 2018-19, 4.09%; 2019-20, 4.01%; 2020-21, 3.98%.
Interest rates payable on new debt – 10 year rate	2017-18, 1.58%; 2018-19, 1.68%; & 2019/20, 1.75%; 2020/21 2.00%.
Interest rates receivable	2017-18, 0.10%; 2018-19 0.25% & 2019-20 0.50%; 2020/21 0.75%.
Income	
Inflationary increases	Various based on individual service considerations