

APPENDIX 4

KEY ASSUMPTIONS USED IN PROJECTED RESOURCES, EXPENDITURE AND INCOME 2018-22

Factor	Assumption
Resources	
Council Tax base	Variable depending on projected additional properties.
Council Tax	4.99% increase in 2018-19 year (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 & 2021-22 (including a 2% increase for Adult Social Care).
Council Tax collection	99% collected
Government Grants	Government grants for 2018-19 as indicated in settlement and indicative figures for 2019-20 to 2021-22.
	Increase in Business Rates Scheme and Top Up Grant of 3.2% 2018-19, 3.6% 2019-20 & 3.0% 2020-21 & 2021-22 (projected RPI). The actual increase to businesses is based on CPI with the difference being funded by a Government Grant.
	Reduction in Revenue Support Grant of 30% in 2018-19, 44% in 2019-20 & 13% in 2020-21.
Expenditure	
Pay inflation	2018-19 1.75% and thereafter 1.50%.
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 to 2019-20.
Financing Costs	
Interest rates payable	Average rate on existing debt 2018-19, 3.86%; 2019-20, 3.77%; 2020-21, 3.78% & 2021-22, 3.82%.
Interest rates payable on new debt – 10 year rate	2018-19, 2.35%; 2019-20, 2.55%; 2020-21, 2.70% & 2021-22 2.80%.
Interest rates receivable	2018-19, 0.25%; 2019-20, 0.30%; 2020-21, 0.75% & 2021-22 1.00%.
Income	
Inflationary increases	Various based on individual service considerations