

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 2.3% 2015-16, 3.1% 2016-17, 3.4% 2017-18, 4% 2018-19 & 2019-20 (projected RPI).
	Reduction in Revenue Support Grant of 28% in 2015-16, 26% in 2016/17, 30% in 2017/18, 16% in 2018/19 and 25% in 2019/20.
Expenditure	
Pay inflation	2015-16 onwards 2.0%.
Price inflation	Only contractual inflation on running costs
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, 4.05%; 2016-17, 4.03%; 2017-18, 4.04%; 2018-19, 4.11%; 2019-20, 4.17%.
Interest rates payable on new debt – 10 year rate	2015-16, 3.85%; 2016-17, 4.18%; 2017-18, 4.30%; 2018-19, 4.50%; & 2019/20, 4.50%.
Interest rates receivable	2015-16, 1.00%; 2016-17, 1.60%;. 2017-18, 2.25%; 2018-19 2.75% & 2019-20 3.00%.
Income	
Inflationary increases	Various based on individual service considerations